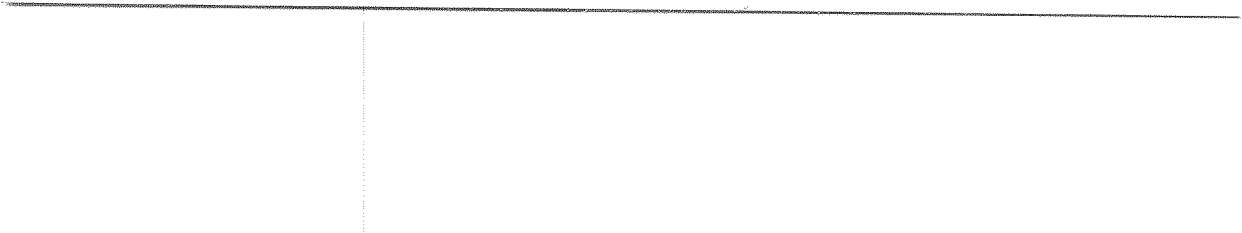


1975

*The* BUSH FOUNDATION

*The* BUSH FOUNDATION 1975





A. G. BUSH



MRS. A. G. BUSH

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THE  
**BUSH** FOUNDATION

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*Annual Report for the Fiscal Year  
Ended November 30, 1975*

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## **BOARD OF DIRECTORS**

ELMER L. ANDERSEN, *Saint Paul, Minnesota*

E. G. BANKS, *Winter Park, Florida*

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FRANKLIN O. BRIESE, *Saint Paul, Minnesota*

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HARRY P. SWEITZER, *Salt Lake City, Utah*

WILLIAM T. YLVISAKER, *Chicago, Illinois*

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# *The Bush Foundation*

REPORT FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1975

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## **OFFICERS**

REUEL D. HARMON, *President*  
CECIL C. MARCH, *First Vice President*  
CLARENCE J. BASSLER, JR., *Second Vice President*  
WAVERLY G. SMITH, *Secretary*  
FRANKLIN O. BRIESE, *Treasurer*  
JOHN A. McHUGH, *Assistant Treasurer*  
FRANK HAMMOND, *General Counsel and Assistant Secretary*

## **STAFF**

HUMPHREY DOERMANN, *Executive Director*

### GRANT PROGRAM ACTIVITY:

STANLEY SHEPARD, *Senior Program Associate*. EMILY GALUSHA, *Program Associate*.  
JOHN ARCHABAL, *Program Associate*

### BUSINESS MANAGEMENT:

HAROLD V. NEECE, *Business Manager*. MARIE B. LAMPE, *Bookkeeper*

### STAFF SERVICES:

MARGIE M. PROSSER\*, *Administrative Assistant*. GLORIA MOONEY\*\*, *Secretary*.  
KATHLEEN Y. MUSKE, *Executive Secretary*. PATRICIA L. COLLIS, *Secretary*.  
LINDA M. YOUNG, *Secretary*.

*Address: W-962 First National Bank Building, Saint Paul, Minnesota 55101. Telephone: 612-227-0891*

\*Resigned August 31, 1975.

\*\*Resigned December 31, 1975.

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# THE BUSH FOUNDATION

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The Bush Foundation, established by Mr. and Mrs. Archibald G. Bush of Saint Paul, Minnesota, was incorporated February 24, 1953, under the Minnesota Non-Profit Act, to encourage and promote charitable, scientific, literary and educational efforts. It is a tax-exempt organization under the laws of Minnesota and the United States.

The Foundation has concentrated activity in the areas of education, humanities and the arts, community and social welfare, and medicine. Geographically, the Foundation's grants have been principally in Minnesota, with several grants in Chicago and Florida.

The income available to the Foundation represents the investment yield from assets given the Foundation by Mr. and Mrs. Archibald G. Bush. The Foundation is the residuary legatee of the Estate of the late Archibald G. Bush, from which it has received several distributions of property and cash.

During the fiscal year ending November 30, 1975, The Bush Foundation granted financial assistance to sixty-two projects in the United States. The Foundation continued to conduct the Bush Opportunity Grants Program in seventeen private colleges, the Bush Leadership Fellows Program and a new Fellowships for Artists Program. The sections which follow the Report of the President summarize these activities, and describe the Foundation's grantmaking policies and procedures.



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## REPORT OF THE PRESIDENT

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In 1975 The Bush Foundation paid \$7,285,999 to grant recipients, a reduction of \$122,701 from the payment level in 1974 but substantially more than in any prior year.

The amount of future grant commitments appropriated during 1975 was \$4,687,964, a significantly lower amount than in any year since 1970 and a 52 per cent reduction from the level of new grants approved in 1974. This reduction was forecast in my 1974 Report. The adjustment was a sharp, temporary one, which resulted from the adverse financial conditions during the last three years. The 1975 adjustment permits us to maintain a relatively stable level of total payments for grants, and within that total to include a healthy proportion of new business.

The Schedule of Grants on page 39 summarizes the Foundation's activity during 1975. Highlights of this work include the starting of the Bush Foundation Fellowships for Artists, and provision of support for a Twin Cities ticket voucher program to help enlarge the local audience for the performing arts. The Foundation continued to see encouraging results from its series of alumni fund challenge grants in Minnesota private colleges, and continued to provide construction funds for new or expanding organizations which help the handicapped.

The Foundation's staff continued to investigate possible new program areas. The three principal ones this year were early childhood development, the development of better public understanding of our economy, and strengthening of non-commercial radio and television.

As in prior years, the work of the Foundation depended upon the contributions of many people: the continued work of its Directors and staff, the helpful advice given by many others concerning grant proposals and program ideas, as well as the good stewardship of grant recipients. Because our Bylaws provide that Directors may not stand for reelection after having reached the age of 70, this is the last year preceding retirement from the Board for Franklin O. Briese, Treasurer, and for me.

Frank Briese has served not only as Treasurer of the Foundation but also as a Member and Chairman of the Investment Committee. This Committee was charged by the Directors to develop a program to diversify the Founda-

tion's security portfolio, which was largely in Minnesota Mining and Manufacturing Company stock, and to select investment advisors. Under Mr. Briese's leadership both objectives were accomplished and the diversification program is still being implemented.

The Foundation is greatly indebted to him for his contribution over the years and will miss his solid counsel and advice.

Finally, I am pleased to report that in 1975 the following legal actions affecting The Bush Foundation were terminated:

1. *Lee, Bassler and the Commerical Bank, as Co-executors of the Estate of Edyth Bush vs. Arrowood, et al and the Bush Foundation*, No. 3-72 Civil 98, United States District Court, Minnesota.

This suit, based upon the claimed right of Mrs. Bush to renounce the will of Archibald G. Bush, in which damages against the Foundation of \$100 million were asked, was finally disposed of by final denial of a petition for review in the Supreme Court of the United States on February 24, 1975.

2. *In re Estate of Archibald G. Bush, appeal of H. Clifford Lee, et al*, Supreme Court of Minnesota No. 44707.

This case was the effort through the courts of the State of Minnesota to renounce the will of Archibald G. Bush. The Supreme Court of Minnesota has foreclosed the claim by its decision of November 11, 1974.

On March 31, 1975, the Supreme Court of The United States denied a petition to review.

3. *In re Estate of Archibald G. Bush, appeal of The Bush Foundation*, Supreme Court of Minnesota Nos. 44953 and 44954.

This was an appeal by the Foundation from the allowance of fees to the executors and their attorneys.

The Supreme Court of Minnesota affirmed the award of the District Court of total fees of \$500,000 for each of the two executors and \$710,000 in fees and \$3,766.03 in expenses for their attorneys. Payment was in each case to be reduced by amounts previously received.

4. *Lee and Banks v. Andersen, et al and The Bush Foundation*.

This action was alleged to be a derivative action by two member-directors of the Foundation against eleven member-directors and officers of the Foundation and four banking institutions based upon claimed violation of the securities laws and the Articles and Bylaws of the Foundation.

The action was dismissed by order of the Court dated June 5, 1975.

By orders dated December 10, 1975, the Court directed the Foundation to indemnify the individual defendants for their costs and expenses in defending the action for a total amount of \$710,498 and confirmed that its order of June 5, 1975, also dismissed a claim to terminate the plaintiffs Lee and Banks as member-directors of the Foundation.

One matter involving the Foundation is presently pending in the

Courts: *In re Estate of Archibald G. Bush, Appeal of Attorney General and The Bush Foundation*, Supreme Court of Minnesota Nos. 46019 and 46103.

This is an appeal by the Attorney General of Minnesota and The Bush Foundation from an order of the Ramsey County District Court awarding the executors and their attorneys \$107,165.78 as interest on the fees referred to in paragraph 3 above.

This case probably will be heard and disposed of by the Court in 1976.

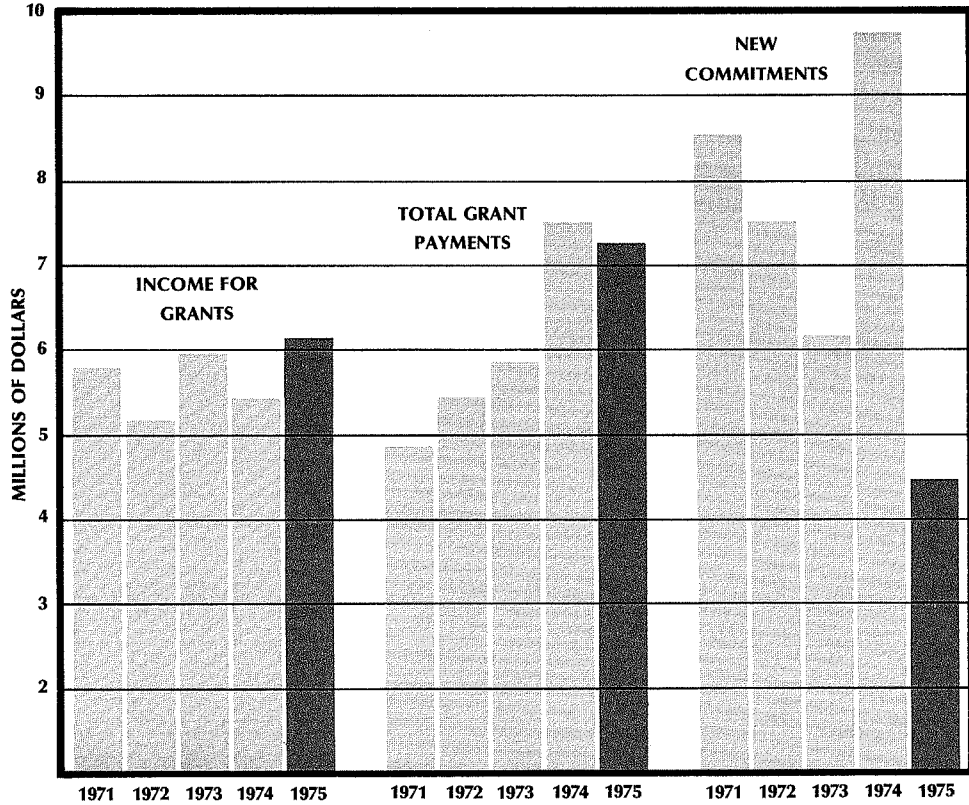
Thus it would appear that major litigation affecting The Bush Foundation has been concluded. One may hope that every one concerned now can turn their full attention to achieving the goals set forth by Mr. and Mrs. Archibald G. Bush when they created this Foundation.

I am grateful for the support I have been given by the Foundation's Board and staff during my three years as President, and wish similar good fortune to Elmer Andersen, who was elected to be President beginning in February, 1976.

REUEL D. HARMON  
*President*

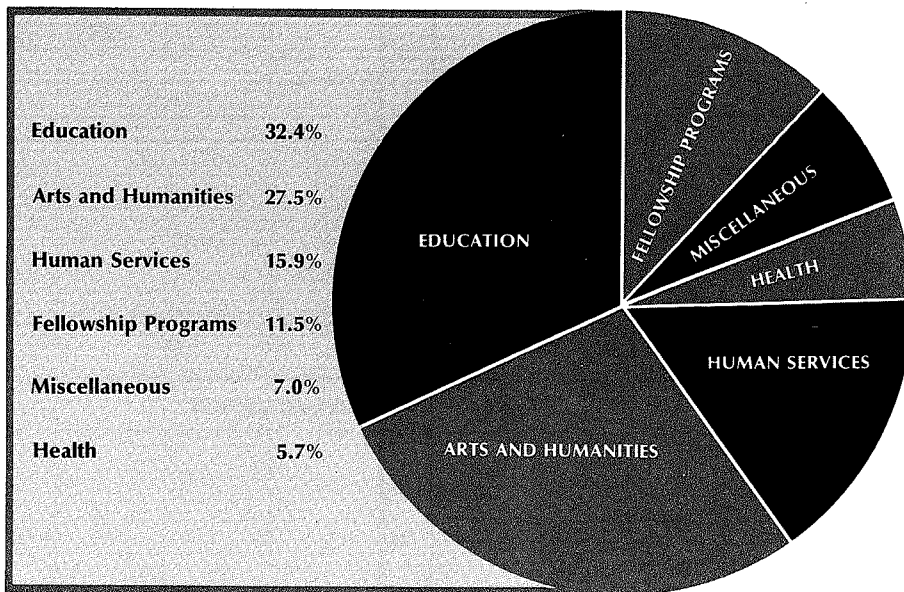
**INCOME FOR GRANTS\* COMPARED WITH  
GRANT PAYMENTS AND NEW COMMITMENTS 1971-1975**

Year	Income For Grants	Total Grant Payments	New Commitments
1971	\$5,833,193	\$4,888,403	\$8,624,861
1972	5,070,342	5,405,016	7,498,128
1973	5,932,269	5,882,972	6,097,495
1974	5,412,363	7,408,700	9,707,597
1975	6,067,278	7,285,999	4,466,726

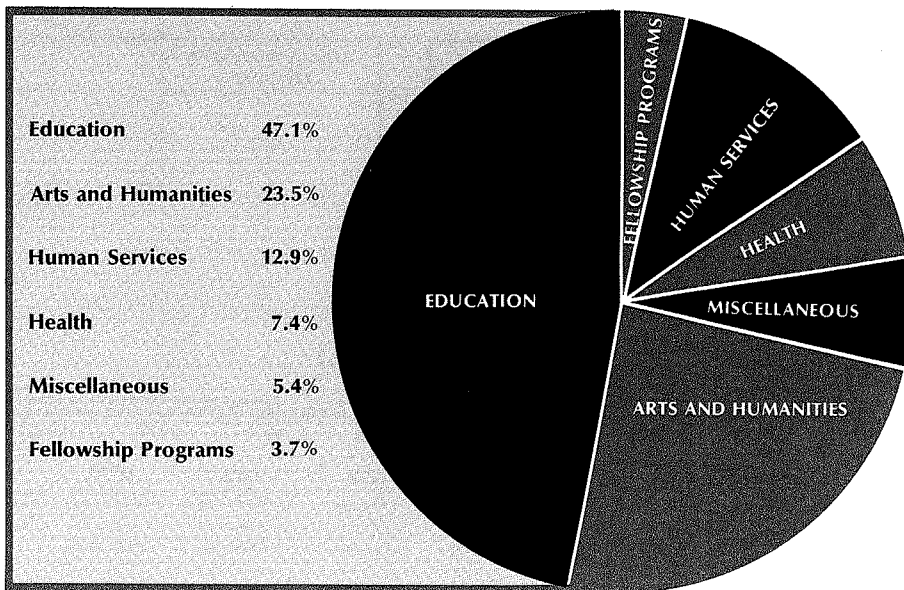


\*Income for grants is the greater of net income or minimum investment return as defined by the Tax Reform Act of 1969, less excise taxes, administrative expenses, and investment expenses.

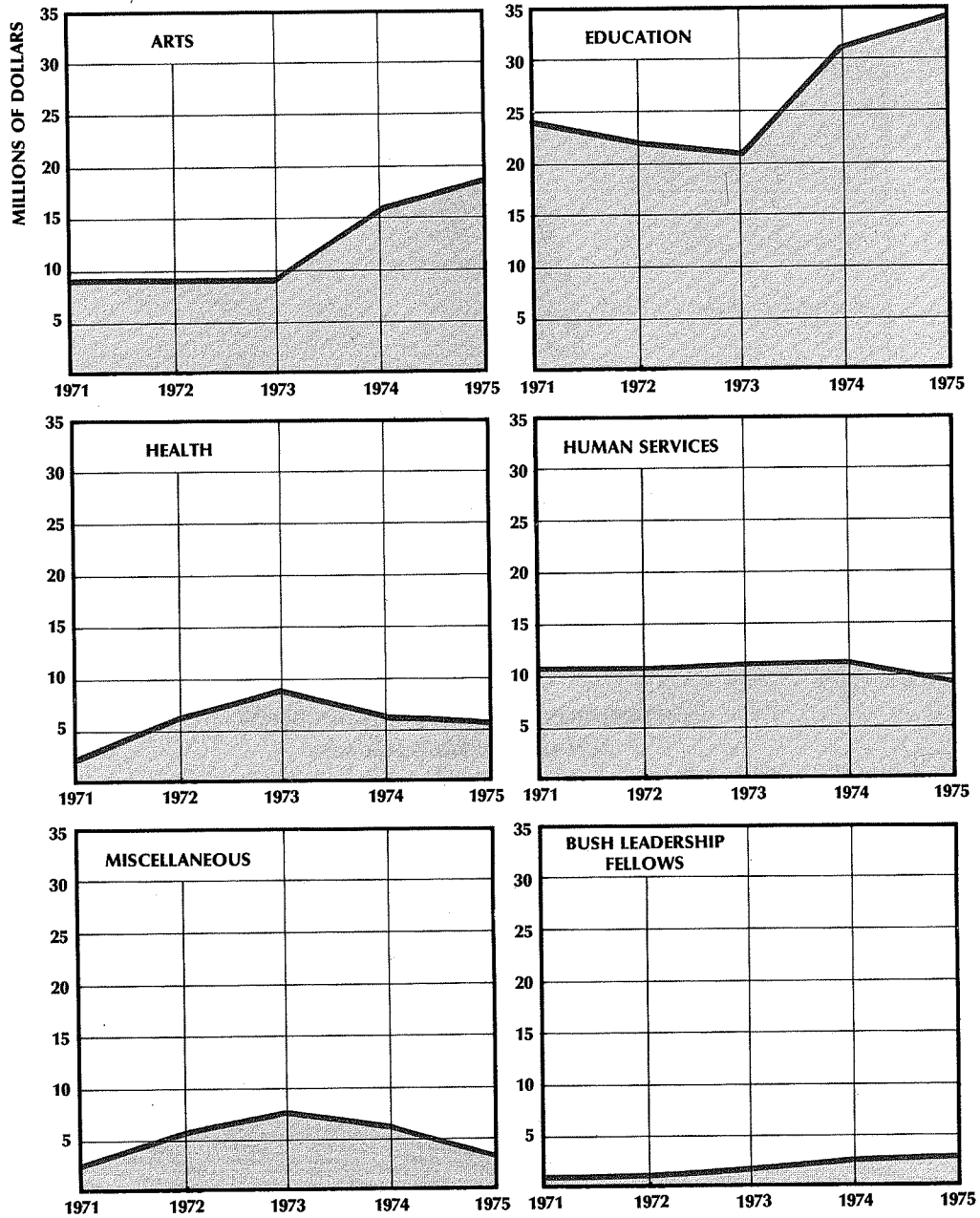
**DISTRIBUTION OF 1975 FOUNDATION GRANT  
APPROPRIATIONS BY PROGRAM AREA**



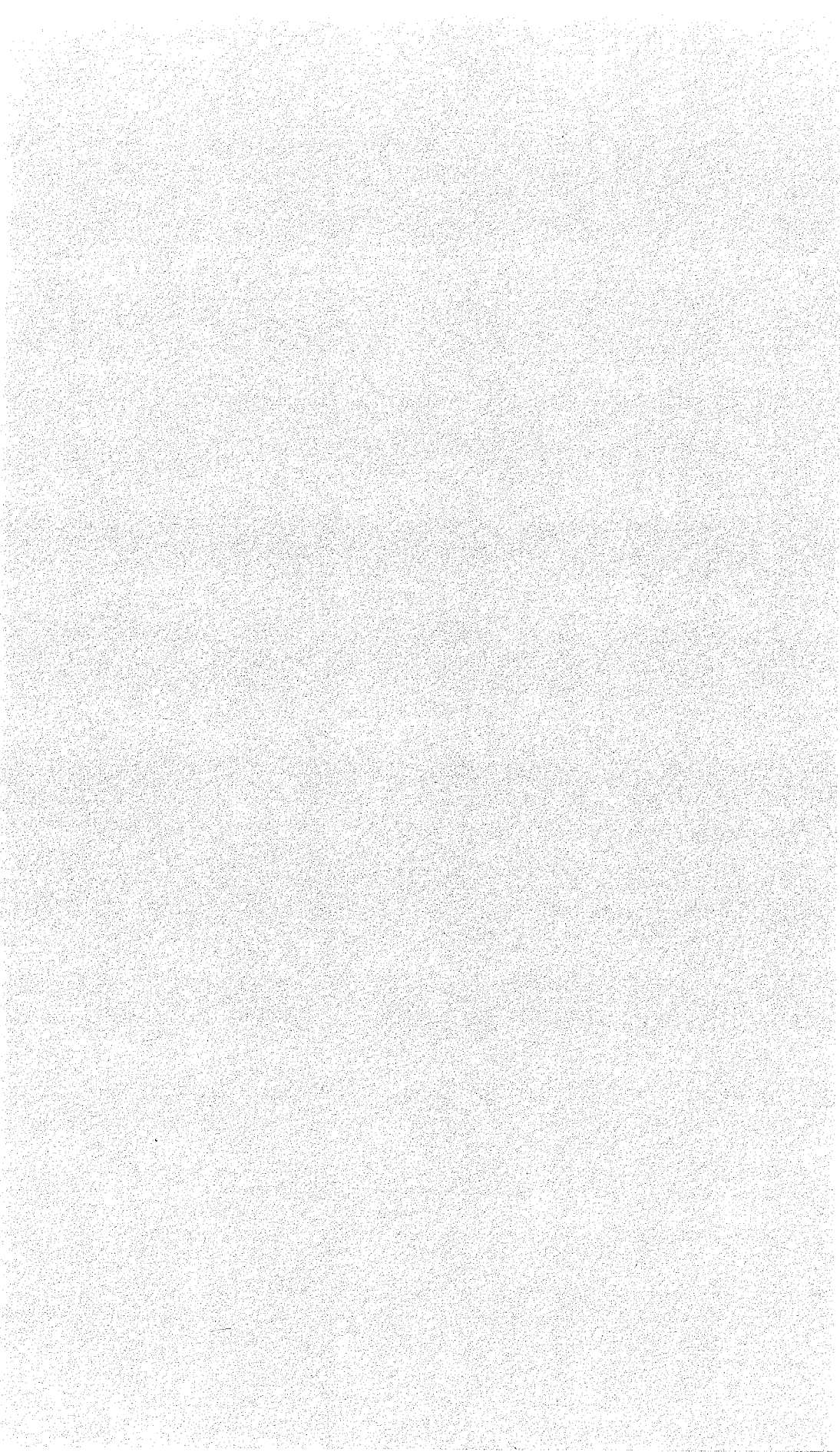
**DISTRIBUTION OF 1975 FOUNDATION GRANT  
PAYMENTS BY PROGRAM AREA**



CASH FLOW SUMMARY 1971-1975

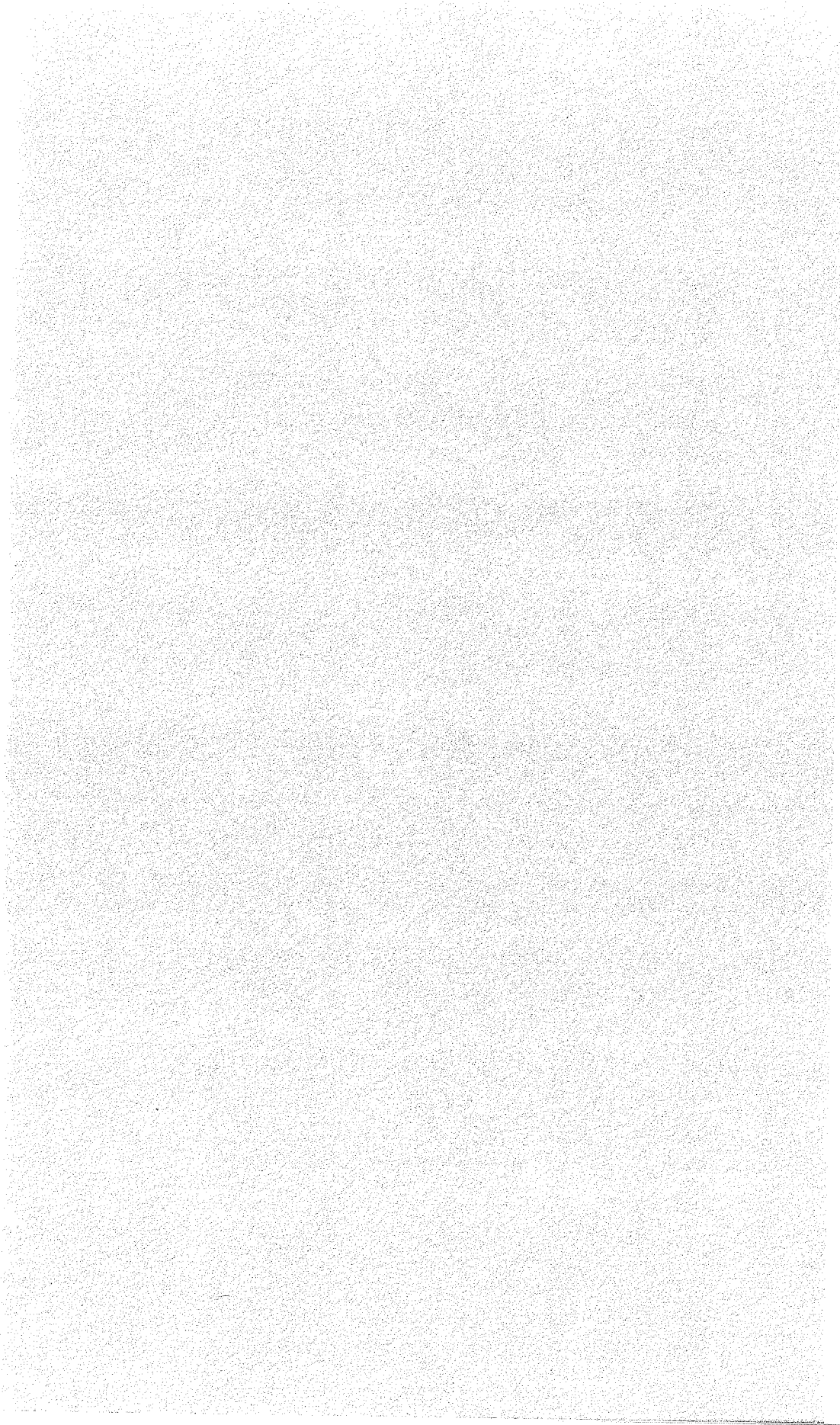


	1971	1972	1973	1974	1975
Arts	\$ 880,000	\$ 806,900	\$ 834,193	\$1,558,790	\$1,705,567
Education	2,422,486	2,259,352	2,188,514	3,191,755	3,433,917
Health	230,798	606,202	856,230	602,617	540,412
Human Services	1,022,594	1,012,917	1,066,212	1,177,234	941,268
Miscellaneous	246,100	623,010	779,843	655,412	393,687
Bush Leadership Fellows	86,425	96,635	157,980	222,892	271,149



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## PROGRAM NOTES

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### LEADERSHIP AND INDIVIDUAL TALENT

During the past ten years, the Bush Foundation has attempted to design ways to develop individual talent, particularly leadership talent, through programs developed solely for that purpose which deal directly with individuals. The Bush Leadership Fellows Program, beginning in 1965, was the first such effort and at present is the largest one. In 1975 the Board authorized a program of Bush Foundation Fellowships for Artists, to provide short-term support for selected artists, and to enable them to set aside time to develop their talent in a more concentrated way than would be possible otherwise. In February 1976, the Board authorized development of a Bush Public School Executive Fellows Program, which will provide management training for Minnesota public school superintendents and assistant superintendents.

In 1970, the Bush Leadership Fellows Program accounted for about 2.5 per cent of The Bush Foundation's total grant payments that year. In 1976, more than 9 per cent of its total grant payments will be spent for these three individual leadership and talent development programs. Although these have not become the major grantmaking emphasis of The Bush Foundation, they have in recent years represented the Foundation's fastest-growing grantmaking sector.

Perhaps one should note also that most of The Bush Foundation's grants at least indirectly affect the development of individual talent, even though they may be classified and described in other ways. Grants to colleges, to medical and nursing schools, to professional arts organizations, and to youth agencies and sheltered workshops all eventually help individual people develop or regain skills. This important point is often masked because we award most of our grants initially to organizations. The grants then are classified in our reports by the main purposes of those organizations ("education", "arts", "human services"). But more often than not, one of the most important end results is the encouragement and development of individual talent.

## BUSH LEADERSHIP FELLOWS PROGRAM

The Bush Leadership Fellows Program was started at the wish of Archibald G. Bush. He envisioned a program which would locate individuals with strong leadership qualities in a variety of fields, and enable them to develop those qualities without the kind of financial hardship he encountered in his own business career. Recipients of these awards gain the opportunity for full-time study and internship anywhere within the United States for varying periods of time up to a maximum of eighteen months. Major criteria for selection have included mental skills, integrity and character, clear career goals, and demonstrated competence in past work experience. In 1973, the Foundation added a new program of Bush Summer Fellowships to the regular Bush Leadership Fellows Program. The summer program offers study opportunities ranging from three to eight weeks in length, compared with four to eighteen months in the regular program.

In 1974 The Bush Foundation Board voted to expand the program beyond Minnesota, to include also candidates from North Dakota, South Dakota and twenty-six counties in western Wisconsin.\* The Board authorized expenditure of \$443,800 for stipends and fellows' expenses for those receiving 1975 Fellowships.

Nineteen individuals received 1975 Bush Leadership Fellowships and twenty-six received Bush Summer Fellowships. Ten of the 19 Fellows are women. The Fellows represent the fields of business, government, journalism, the judiciary, law, theology, and the administration of arts, education, and health — continuing the diversity of career backgrounds which has characterized the program since it began in 1965. In spite of this diversity, however, a growing majority of the selected Fellows emphasize work in aspects of management and administration during their study and internships.

The Program is unusual in design, and appears to be producing worthwhile results. These observations come from the Foundation's own evaluations of the Program and from tentative findings of the Fellowship Evaluation Project of the Center for Creative Leadership (Smith Richardson Foundation, Inc.) in Greensboro, North Carolina. The Center monitors results of about a dozen midcareer programs in the United States, including The Bush Leadership Fellows.

Following is a list of the individuals selected in 1975 to receive Bush Leadership Fellows and Bush Summer Fellows awards. An appendix list of Bush Leadership Fellows selected between 1965 and 1974 appears at the end of this "Program Notes" section.

\*These counties in Wisconsin are: Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Douglas, Dunn, Eau Claire, Florence, Forest, Iron, La Crosse, Lincoln, Oneida, Pepin, Pierce, Polk, Price, Rusk, St. Croix, Sawyer, Taylor, Trempealeau, Vilas, and Washburn.

## 1975 BUSH LEADERSHIP FELLOWS

### Employment at the Time of Selection for Fellowship (1975-76 Study Site in Parentheses)

Name and Residence	Employment at the Time of Selection for Fellowship (1975-76 Study Site in Parentheses)
John B. Bennett Ashland, WI	Associate Professor of Philosophy and Religion, Northland College, Ashland (Texas Tech University)
Merril A. Berg Devils Lake, ND	President, Lake Region Junior College, Devils Lake (University of Northern Colorado)
James R. Bjorklund Sioux Falls, SD	Division Marketing Manager, Central Telephone and Utilities, Sioux Falls (Cornell University)
Richard Broeker Saint Paul, MN	Planning Director, Human Services Act, Minnesota State Planning Agency (Harvard University)
Kathleen Camara Bemidji, MN	Director, Child Development Training Program, Bemidji (Stanford University)
Mary B. Des Roches Bloomington, MN	Administrator, Intergovernmental Personnel Act, Minnesota Department of Personnel (Harvard University)
Ruth E. Harris Eau Claire, WI	Learning Therapist, Northwest Psychological Clinic, Eau Claire (University of Wisconsin)
Roger R. Israel Saint Louis Park, MN	Administrative Assistant to the Executive Director, Metropolitan Council, Saint Paul (University of North Carolina)
Bernard T. Lantis Jamestown, ND	Manager, Western Gear Corporation, Jamestown, ND (Harvard University)
Harriet K. Light Fargo, ND	Associate Professor of Child Development and Family Relations, North Dakota State University (Michigan State University)
Grant C. North Edina, MN	Market Manager — Sales, Honeywell, Inc., Minneapolis (Harvard University)
Sheila M. O'Fahey Saint Paul, MN	General Editor, Saint Mary's College Press, Winona (University of Minnesota)
Mary T. Phillips Saint Paul, MN	Principal, L. C. Webster Elementary School, Saint Paul (University of Minnesota)
Joseph D. Purvis Minneapolis, MN	Principal, Willard Elementary School, Minneapolis (Harvard University)
Gerard W. Ring Byron, MN	Judge, Dodge-Olmsted County Court, Rochester (Harvard University)
Jill L. Schropp Duluth, MN	Reporter, Duluth Herald and News Tribune (Harvard University)
Joy A. Sedgwick Menomonie, WI	Assistant Dean, School of Home Economics, University of Wisconsin — Stout (University of Oregon)
Gloria M. Segal Minneapolis, MN	Senior Vice President, Cedar-Riverside Associates, Minneapolis (Harvard University and Center for Creative Leadership, Greensboro, NC)
Viola P. Willis Aberdeen, SD	Assistant Professor of Speech, Northern State College, Aberdeen (University of Alabama)

**Employment at the Time of Selection  
for Fellowship  
(1975–76 Study Site in Parentheses)**

**Name and Residence**

**1975 Bush Summer Fellows**

Albert B. Anderson Moorhead, MN	Coordinating Provost, Tri-College University, Moorhead
Phillip C. Brunelle Minneapolis, MN	Music Director and Administrator, Minnesota Opera, Minneapolis
Bruce W. Buller Saint Paul, MN	Minister, Hamline United Methodist Church, Saint Paul
Eugene G. Carr Hillsboro, ND	Executive Vice President, North Dakota Newspaper Association, Grand Forks
Marilyn Condon Aberdeen, SD	Assistant Professor — Speech Correction, Northern State College, Aberdeen
Donald C. Dahlin Pierre, SD	Director, Criminal Justice Studies, University of South Dakota, Vermillion
Duane A. Ewers Minot, ND	Minister, Vincent United Methodist Church, Minot
Thomas W. Foley Minneapolis, MN	Vice President/General Counsel, IDS Marketing Group, Minneapolis
Jon Grunseth Cold Spring, MN	Farm Manager and Real Estate Developer, Cold Spring
Walter Hatlestad Fargo, ND	English Teacher, North High School, Fargo
E. Sharon Hayenga Minneapolis, MN	Director, Individualized Education Planning Program, Inver Hills Community College, Inver Grove Heights
Jerome Hughes Saint Paul, MN	State Senator and Consultant to Saint Paul Public Schools, Saint Paul
Delores D. Johnson Minneapolis, MN	Director of Communications, Saint Paul Chamber Orchestra
Charlotte G. Karlen Minneapolis, MN	Director of Audience Development, Minnesota Orchestra, Minneapolis
Jay G. Lindgren, Jr. Rochester, MN	Executive Director, PORT of Olmsted County, Rochester
Richard M. Mangram Saint Paul, MN	Manager — Selby Operations, Control Data Corporation, Saint Paul
Orlan E. Mitchell Yankton, SD	Minister, United Church of Christ, Yankton
Thomas J. Mulvaney White Bear Lake, MN	Vice President — Sales, John G. Kinnard & Company, Minneapolis
David W. Olson Crystal, MN	Pastor, Saint James Lutheran Church, Crystal
Edward A. Raymond Fargo, ND	Principal, Senior High School, Fargo
Judith L. Rehak Saint Paul, MN	Deputy State Court Administrator, Saint Paul
Raymond A. Reister Minneapolis, MN	Attorney and Partner, Dorsey Marquart Windhorst West & Halla clay, Minneapolis
Ronald L. Ress Rochester, MN	Administrator — Research Services, Mayo Foundation, Rochester
Alva W. Scarbrough Sioux Falls, SD	Personnel Director, Sioux Valley Hospital, Sioux Falls

**Employment at the Time of Selection  
for Fellowship  
(1975-76 Study Site in Parentheses)**

**Name and Residence**

James E. Shanley Mandan, ND	Director, Johnson O'Malley Program, United Tribes of North Dakota Development Corp., Bismarck
Lonny B. Winrich LaCrosse, WI	Associate Professor/Department Chairman, Computer Science Department, University of Wisconsin, LaCrosse

Inquiries concerning administration of the Bush Leadership Fellows Program should be directed to D. Donald Peddie, Program Director, Post Office Box 15125, Minneapolis, Minnesota, 55415.

### **BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS**

The Bush Foundation Fellowships for Artists assist selected individuals to complete an artistic project, to meet an artistic goal, or to advance generally a professional artistic career. Short-term Bush Foundation support enables them to set aside concentrated time for their work, and, it is hoped, to increase the quality and pace of individual career development.

The first group of six Artist Fellowship holders was selected from 148 original applicants in January 1976. The artists selected are:

- Carole G. Fisher, sculpture and painting, Minneapolis
- Alvin D. Greenberg, fiction, Saint Paul
- Gary Hallman, photography, Minneapolis
- Thomas M. McGrath, poetry, Moorhead
- James M. Moore, poetry, Saint Paul
- Stephanie B. Torbert, photography, Minneapolis

Candidates are chosen from two professional groups: creative writers (poets and writers of fiction), and visual artists (painters, sculptors, graphic artists and still photographers). Candidates also must be at least 25 years old and be residents of Minnesota. Major criteria for final selection are demonstrated artistic performance and the estimated importance of the applicant's Fellowship plan to his or her growth as a creative artist.

Stipends are \$833 per month for up to twelve months, or a total award of \$10,000 for a 12 to 18 month Fellowship period. The program also provides limited funds for travel and project costs which must be met by Fellowship holders in connection with their work. The total amount of stipends and projects costs authorized for the first six Fellowships was \$72,000.

The Foundation also has appropriated \$72,000 for a second group of six Fellowships for Artists in 1977. Inquiries concerning administration of the program should be directed to Emily Galusha, Program Associate at The Bush Foundation.

### **BUSH PUBLIC SCHOOL EXECUTIVE FELLOWS PROGRAM**

The first group of 25 Bush Public School Executive Fellows will be selected in May, 1976 to enter this new management training program in July.

The program is designed to provide a varied but intensive six week course for experienced public school superintendents and assistant superintendents in Minnesota, to improve their leadership and financial management capacity. The six weeks of their participation will be spread over 18 months, and will include the following segments: an 11-day opening session emphasizing case study and discussion; three five-day sessions of small task force work on specific study projects; and a four-day final session. Participants also will spend approximately two weeks of independent work on task force projects.

The curriculum will emphasize management skills, labor relations, and long range planning for school districts. Professor John J. Mauriel of the University of Minnesota Graduate School of Business Administration, will supervise the design of the program, which then will be administered by the Minnesota Association of School Administrators.

In February 1976 The Bush Foundation Board authorized payment of \$338,400 for final curriculum development and to underwrite the cost of instruction for the first two groups of Fellows which will be selected in 1976 and 1977.

Inquiries concerning the program may be directed to the Minnesota Association of School Administrators, 480 Cedar Street, Saint Paul, Minnesota, 55101.

## **ARTS AND HUMANITIES**

The Bush Foundation began making major grants for arts activities in Minnesota in late 1969. In 1975 that support amounted to 23 per cent of the Foundation's total grant payments. Most of these funds were paid to professionally staffed organizations in the Twin Cities. The Foundation, where possible, has tried to help those institutions attract more diverse audiences and broader sources of financial support.

The Foundation awarded a three-year grant of \$199,000 to the Twin Cities Metropolitan Arts Alliance to support the new Alliance Voucher Program. The Voucher Program, if successful, will attract and subsidize new audiences for the performing arts, and at the same time, will assist at a modest level the participating performing arts organizations. Most of the Foundation's grant will be paid to arts organizations in return for vouchers used by audience members. Sale of the vouchers to audience members will eventually pay the voucher program's operating costs. The first vouchers went on sale in September 1975. Initial sales have been slower than anticipated, and it still is too early to judge the program's impact on attendance at performing arts events.

The Foundation approved challenge grants to three Twin Cities arts organizations which are designed to help those organizations increase their

annual contributed support. A challenge grant of up to \$135,000 to the Minnesota Orchestra will match funds raised for the Orchestra's 1976 Guaranty Fund above the amount raised for the 1975 Fund. The Foundation granted to the Saint Paul-Ramsey Arts and Science Council, a parent organization for seven organizations, \$200,000 outright and up to \$100,000 to match increased contributions to the 1976 Annual Fund. Finally, a two-year challenge grant of up to \$220,000 to the Saint Paul Chamber Orchestra will match increases compared with the prior year in both earned and unearned income.

Although the Foundation plans to continue to explore ways to help major Minnesota arts organizations to broaden their sources of income, the Foundation does not expect to increase substantially the number of challenge grants in the arts until the results of the current round of these grants can be appraised.

## EDUCATION

Nearly half The Bush Foundation's grant payments in 1975 were to schools, colleges and universities — not counting those for medical education and for the Foundation's own fellowship programs. Within the Foundation's education activity, two developments appear most noteworthy. The first is a growing interest in early childhood development; the second is that the Foundation's program of alumni fund challenge grants to Minnesota four year private colleges appears to be producing important results as its growth period ends and as it now begins a two year period of phasing down.

In January 1975, when the Bush Board revised its grantmaking guidelines it noted for the first time: "An undeveloped but potential area of the Foundation's interest is in possible new learning opportunities for pre-school children".

In April 1975, The Bush Foundation asked a panel of specialists in early childhood education to identify key problems in the education of very young children and suggest ways in which the Foundation might help in this field.\*

The panel suggested that The Bush Foundation support early childhood education in two principal ways. The first was to encourage leadership training of men and women who would be capable of administering statewide or regional child development projects and teacher training programs in early childhood education. The panel believed that people who receive this train-

\*The panelists were Dr. James J. Gallagher, Director, Frank Porter Graham Child Development Center, Chapel Hill, North Carolina; Dr. Jerome Kagan, Professor of Psychology, Harvard University, Cambridge, Massachusetts; Dr. Lorraine Kaufman, Department of Psychiatry, Mount Sinai Hospital, Los Angeles, California; Dr. Donald E. Pierson, Director, Brookline Early Education Project, Brookline, Massachusetts; Dr. Gilbert Steiner, Director of Governmental Studies, Brookings Institution, Washington, D.C.



ing will have a significant influence on the field. Also, relatively little public money appears available for this sort of leadership training.

Second, the panel suggested that The Bush Foundation support research which attempts to measure the effect of early childhood programs on children's emotional and social development as distinct from their intellectual development. Conclusive research of this type is lacking, according to the panel.

The Foundation Board in July expressed strong interest in the panel's general suggestion that The Bush Foundation increase the level of its support for programs in early childhood education. The Board also asked the staff to investigate further the panel's specific recommendations.

In July, also, the Board voted a grant of \$130,000, payable over two years, to the Erikson Institute for Early Education, Chicago, Illinois, to help support the Institute's work in training future administrators and teachers in child development programs. In September, the Board approved a grant of \$93,260, payable over two years, to the University of Chicago to support the research of Dr. Alison Clarke-Stewart. Dr. Clarke-Stewart will attempt to measure the effects of different types of child care programs on the emotional development of very young children.

Twelve of Minnesota's four-year private colleges are now testing whether, as a group, they can double the amount of annual unrestricted alumni gifts they receive, and also double the number of alumni donors. Results from 1972-73 through 1974-75 are summarized in the table below. It appears likely that the test will succeed.

In 1972, The Bush Foundation began to provide matching grants for this purpose to the first two participating colleges: Macalester College and the College of Saint Thomas. In 1973, the Foundation made initial grants to Augsburg College, Carleton College, Hamline University, Saint John's University and the College of Saint Scholastica. In 1974, the Foundation approved initial grants to the College of Saint Benedict, the College of Saint Catherine, the College of Saint Teresa, and Saint Mary's College. In 1975, the Foundation voted an initial grant to Bethel College and expanded program eligibility to include private colleges in North Dakota and South Dakota.

In each series, the Foundation provides dollar-for-dollar matching for increased receipts in the alumni fund compared with the prior year's receipts, plus a separate incentive to stimulate net increases in the number of alumni who give. Initial grants in each series range from \$40,000 to \$100,000, depending upon the number of alumni and upon a judgment by the college and the Foundation as to how much alumni fund improvement might be expected the first year. The Foundation reviews each year's results and agrees with applicants on new incentive and performance targets. The largest gains and largest grant payments generally occur in the initial year, when the challenge idea is new.

For each participating private college, the series of Bush alumni challenge grants usually runs from two to five years, ceasing when the Foundation matching incentives finally lose their capacity to provide significant gains in alumni fund performance.

If the program achieves hoped-for total results, the participating Minnesota private colleges will have increased their total alumni fund receipts from about \$900,000 a year to about \$1,800,000 a year, and will increase the number of donors from about 22,000 to more than 44,000. During the same period, The Bush Foundation will have invested about \$1,800,000. This series of Bush alumni fund challenge grants will taper sharply during the next two years as the currently-participating Minnesota colleges complete their part in the program.

The September/October issue of *The Foundation News* published a report which describes in more detail the design and early results of the Bush alumni challenge grants. Copies of the article are available from The Bush Foundation on request.

**ALUMNI FUND PERFORMANCE SUMMARY (THROUGH 1974-75) FOR 11  
MINNESOTA PRIVATE COLLEGES WHICH PARTICIPATED AT LEAST ONE YEAR  
IN BUSH ALUMNI FUND CHALLENGE GRANTS**

College	Number Of Completed Years Of Participation In This Series Of Bush Challenges (Through 1974-75)	Percentage Increase In Alumni Fund Dollar Receipts Since Beginning Bush Challenge Series	Percentage Increase In Number Of Alumni Donors Since Beginning Bush Challenge Series
Macalester College	3	159%	91%
College of Saint Thomas	3	103	131
Augsburg College	2	149%	122%
Carleton College	2	56	64
Hamline University	2	20	9
Saint John's University	2	67	83
College of Saint Scholastica	2	60	44
College of Saint Benedict	1	57%	63%
College of Saint Catherine	1	40	16
College of Saint Teresa	1	71	66
Saint Mary's College	1	52	78

## HEALTH

A consultant panel of medical specialists with experience in medical practice, education, federal service, research and foundation work recommended in 1974 that The Bush Foundation focus more clearly its grants in health. The panel recommended emphasis on projects aimed at improving the fit between the kinds of personnel which training institutions produce and the needs of the health care delivery system. The panel thought that a predominantly regional approach to this question was appropriate and rec-

ommended that The Bush Foundation take further steps to identify both the major health care needs of its region and the related gaps in training which regional schools, colleges, and universities might attempt to fill more quickly.

Specific suggestions for possible program support include the training of workers for ambulatory, emergency and rural health care, development of academic leadership in those fields, development of minority-race professional competence, and development of managerial leadership. The panel also recommended that the Foundation cease granting funds for specific biomedical research projects. In September 1974, the Foundation Board voted to cease granting funds for project research in the biomedical and health sciences.

During 1975 the Foundation staff discussed those recommendations individually with health professionals in Minnesota. Most of those consulted also felt that the panel's 1974 recommendations merited adoption by the Foundation. These recommendations now represent the most probable direction of the Foundation's health grantmaking in the near future. However, they still require further discussion inside and outside the Foundation before finally becoming defined and approved here.

The Foundation in 1975 approved grants totaling \$265,000 to four health programs which the Foundation previously has supported: Rush College of Nursing received \$165,000 for further development of its undergraduate and graduate programs; Childbirth Education Association of Greater Minneapolis-Saint Paul, Inc. received \$30,000 to support a program to prepare unwed mothers for childbirth; Metro Area Community Health received \$30,000 toward the operating costs of a consortium of community health clinics; and Washburn Child Guidance Center received a matching grant for \$40,000 to help stimulate private contributions to help meet its operating expenses.

## HUMAN SERVICES

The Bush Foundation reviewed fifty-seven proposals for human service programs and approved grants to twelve organizations totaling \$743,360. This amount represents sixteen percent of the amount which the Foundation approved for all grants in 1975, up from ten per cent in 1974.

In November 1975, three consultants met with the Foundation staff and one of its Directors to discuss ways to improve the Foundation's work in human services. Those consultants were Richard Broeker, Special Assistant to the Minnesota Commissioner of Public Welfare; Wilbur J. Cohen, Dean of the School of Education, University of Michigan; and Dean K. Whitla, Director of the Office of Instructional Research and Evaluation, Harvard University. The consultants suggested that the Foundation increase its sup-

port for regional projects which evaluate the ways in which government and private agencies provide human services. They also recommended that the Foundation support programs which help to demonstrate new ways of providing human services and monitor closely the impact of those programs.

In 1976, The Bush Foundation will explore these recommendations and others.

## PROGRAM NOTES APPENDIX BUSH LEADERSHIP FELLOWS (1965–1974)

Name, Selection Year, Current Residence	Current Employment
Peter A. Altman, '72 New York, NY	Teacher, University of Minnesota, Study Abroad Program (London, England)
Charles S. Anderson, '72 Saint Paul, MN	Vice President for Academic Affairs and Dean, Augsburg College, Minneapolis
Harlan V. Anderson, Jr., '72, Edina, MN	Principal, Franklin Junior High School, Minneapolis
Wilfred D. Antell, '72 Stillwater, MN	Assistant Commissioner of Education, State of Minnesota
Donald B. Ardell, '72 Mill Valley, CA	Editor, American Journal of Health Planning; Lecturer, University of California
Peter R. Bartling, '73 Plymouth, MN	Assistant Vice President, Northwestern National Bank of Saint Paul
Dean Belbas, '66 Edina, MN	Director of Financial Communications, General Mills, Inc.
Thomas E. Benson, '72 Burnsville, MN	Director of Creative Communications, The Webb Company, Saint Paul
James M. Brekken, '70 Bloomington, MN.	Chief of Police, Bloomington
M. Jerome Buckanaga, '71, Ponsford, MN	Director, Pine Point Experimental School, Ponsford
Arne H. Carlson, '71 Minneapolis, MN	Assistant Minority Leader, Minnesota House of Representatives; Real estate broker
Rick J. Carlson, '71 Mill Valley, CA	Writer
J. William Clarey, '72 Minneapolis, MN	Aftercare Counselor, Drug Abuse Service Project, Multi-Resource Centers, Inc., Minneapolis
Richard C. Cole, '65 Goulds, FL	President, Tri-Continental Enterprises, Inc., Miami
Walter J. Cullen, '73 Minneapolis, MN	Coordinator, Chemical Dependency Specialist Training Program, Metropolitan Community College, Minneapolis
Denis J. Daly, '66 Madison Lake, MN	President, Kayot, Inc., Mankato
*Nancy G. Detjen, '74 Saint Paul, MN	Assistant Principal, Fairview Junior High School, Roseville *1975–76 Studying at University of Minnesota
Arlen Erdahl, '65 West Saint Paul, MN	Public Service Commissioner, State of Minnesota

\*Pursuing Fellowship studies during 1975–76; listed job in this instance is that held at the time of selection.

<b>Name, Selection Year, Current Residence</b>	<b>Current Employment</b>
Robert L. Euritt, '66 Chagrin Falls, OH	Director of Employee Relations, TRW Corporation, Cleveland
E. Peter Gillette, Jr., '71, Minneapolis, MN	Executive Vice President, Northwestern National Bank of Minneapolis
G. David Goff, '74 Saint Paul, MN	Director of Minority Affairs, The Saint Paul Companies
Joseph Haggerty, '70 Seattle, WA	Principal, Our Lady of Guadalupe School, Seattle
Stanley Hardwick, '73 New Brighton, MN	Professor of Old Testament Interpretation, Bethel Seminary, Arden Hills
Clarence E. Harris, '69 Glenside, PA	Personnel Manager (Domestic Personnel), Sperry Rand Corp. (Univac Division), Blue Bell, PA
Larry E. Harris, '71 Minneapolis, MN	Special Assistant for Urban Affairs, Minneapolis Public Schools
John E. Haynes, '73 Minneapolis, MN	Staff Assistant to the Governor, State of Minnesota
Gerard D. Hegstrom, '69 Minneapolis, MN	Project Director, Minnesota Zoological Board, Saint Paul
Thomas E. Herbranson, '66, Saint Paul, MN	Executive Secretary for Public Relations, Fraternal Division, Lutheran Brotherhood, Minneapolis
Douglas B. Herron, '74 Minneapolis, MN	Director, Northwest Branch YMCA, New Hope, New Hope Center
Lynn J. Hummel, '69 Detroit Lakes, MN	Attorney, Detroit Lakes
Thomas L. Jackson, '66 Golden Valley, MN	Director, University of Minnesota/Saint Paul Teacher Corps, Saint Paul
Curtis M. Johnson, '66 Athens, OH	Director, Extension Division, Ohio University, Athens
Roger D. Juare, '71 Royalton, MN	Business Representative, District 165, International Association of Machinists and Aerospace Workers, Saint Cloud
Apostolos P. Kizilos, '70 Minnetonka, MN	Assistant to the Director of Research, Systems and Research Center, Honeywell, Inc., Minneapolis
James W. Krause, '66 Golden Valley, MN	Senior Vice President for Administration, Lutheran Brotherhood, Minneapolis
Daniel H. Lambrides, '73 Saint Paul, MN	Director, Shoreview Treatment Center, Saint Paul
Robert D. Langford, '70 Winona, MN	Attorney, Winona
Bruce R. Leier, '73 Philadelphia, PA	Staff Director, Philadelphia Committee on Ethnic and Neighborhood Affairs, Philadelphia
David Lindgren, '69 Brooklyn Center, MN	President, Lindgren Insulation and Roofing, Saint Paul
Robert A. Lundin, '72 Wayzata, MN	Vice President, Finance and Planning, Valspar Corporation, Minneapolis
Hugh C. Macgill, '70 Farmington, CT	Professor, School of Law, University of Connecticut
Robert W. MacGregor, '69, Chicago, IL	President, Chicago United, Chicago
Lee Madden, '69 Brooklyn Center, MN	Program Manager, Jobs Consortium, Greater Minneapolis Chamber of Commerce

<b>Name, Selection Year, Current Residence</b>	<b>Current Employment</b>
M. Edward McGaa, '74 Minneapolis, MN	Manager, Secondary Airports, Metropolitan Airports Commission
James Y. K. Moy, '66 Waverly, IA	Director of Student Affairs, Wartburg College, Waverly
Charles L. Nesbitt, '74 Burnsville, MN	Vice-President, Corporate Planning, Northwestern National Bank, Minneapolis
James I. Newland, '74 Fridley, MN	Administrative Engineer, Minnesota Highway Department, Saint Paul
Robert D. North, '73 Saint Paul, MN	State Senator and Episcopal Priest, Saint Paul
John T. O'Connor, '72 Stillwater, MN	Business Agent, Sheet Metal Workers Local #76, Saint Paul
Ronald W. Pavlock, '73 Golden Valley, MN	Assistant Director of Public Safety, Golden Valley
Thomas Read, '74 Houston, TX	Headmaster, Saint John's School, Houston
Arnold M. Rehmann, '70 Burnsville, MN	Acting Director, Special Education, Minneapolis Public Schools
Kenneth L. Rice, '74 Saint Paul, MN	Financial Consultant, Kenneth L. Rice & Associates, Saint Paul
David W. Roffers, '74 Bloomington, MN	Director, Southeast Alternatives Project, Minneapolis Public Schools
Stephen P. Sandell, '74 Saint Paul, MN	Teacher, Roosevelt School, Saint Paul
Roger D. Santelman, '71 Hastings, MN	Senior Vice President, Director of Professional Services, Ellerbe Architects, Bloomington
David J. Sauer, '71 Saint Cloud, MN	Executive Director, Central Minnesota Health Planning Council, Saint Cloud
Henry J. Savelkoul, '69 Albert Lea, MN	House Minority Leader, State House of Representatives; Attorney, Albert Lea
F. P. Schoettle, '73 Minneapolis, MN	Professor of Law, University of Minnesota, Minneapolis
Bruce E. Sharpe, '74 Brooklyn, NY	Dean, Pratt Institute, Brooklyn
James E. Solheim, '74 New York, NY	Public Relations Writer, New York
Catherine Stehly, '73 New Brighton, MN	Assistant to the Commissioner, Minnesota State Department of Education
John M. Taborn, '70 Golden Valley, MN	Associate Professor, Department of Afro-American Studies and Psychoeducational Studies, University of Minnesota, Minneapolis
John Thoenke, '69 Saint Paul, MN	Foreman, Muska Electric Company, Saint Paul; Vice President, Saint Paul Trades and Labor Assembly
William C. Thomas, '72 Golden Valley, MN	Director of Personnel, University of Minnesota, Minneapolis
Charlotte S. Thompson, '72, Roseville, MN	Co-Director, Outpatient Program, Chemical Dependency Treatment Program, Northwestern Hospital, Minneapolis
Thomas Tjepkema, '74 Walker, MN	Social Service Supervisor, Cass City Department of Social Services, Walker
Anne T. Truax, '72 Minneapolis, MN	Director, Women's Center, University of Minnesota, Minneapolis

<b>Name, Selection Year, Current Residence</b>	<b>Current Employment</b>
James D. Tucker, '72 Saint Paul, MN	Manager, Selection and Placement, the Pillsbury Company, Minneapolis
F. Owen Turnlund, '71 Fridley, MN	School Social Worker, Sheridan Junior High School, Minneapolis
Roman J. Verostko, '69 Minneapolis, MN	Dean of Faculty, Minneapolis College of Art and Design, Minneapolis
Gerald Vizenor, '73 Saint Paul, MN	Poet and Journalist, Saint Paul
Calvin L. Walton, '65 New Rochelle, NY	National Director, Independent Truckers League, Inc., New Rochelle
Theartrice Williams, '70 Minneapolis, MN	State Ombudsman for Corrections, Saint Paul

**Bush Summer Fellows (1973-74)**

Peter M. Ackerberg, '74 Minneapolis, MN	Reporter, Minneapolis Star, Minneapolis
Conrad G. Balfour, '74 Minneapolis, MN	Free-Lance Writer, Minneapolis
Patrick L. Baudhuin, '74 Hoyt Lakes, MN	Northeast Coordinator, Minnesota Higher Education Coordinating Commission, Virginia, MN
John E. Carmichael, '74 Minneapolis, MN	Executive Secretary, Twin Cities Newspaper Guild, Minneapolis
John W. Christian, '73 Wayzata, MN	Administrative Assistant to the Superintendent, Hennepin County Park Reserve District, Maple Plain
Philip H. Coffman, '73 Duluth, MN	Associate Professor and Head — Music Department, University of Minnesota, Duluth
Yvonne C. Condell, '74 Moorhead, MN	Associate Professor of Biology, Moorhead State University, Moorhead
F. Mark Davis, '74 Minneapolis, MN	Associate Dean and Director of Special Programs, Augsburg College, Minneapolis
Albert R. DeCosse, '74 Hopkins, MN	Financial Secretary/Treasurer, Asbestos Workers Local 34, Minneapolis
Thomas E. Dolan, '74 Minneapolis, MN	Vice President, Northwest Bancorporation, Minneapolis
James L. Door, '73 Minneapolis, MN	Vice President — Sales and Marketing, General Office Products Company, Minneapolis
David E. Fast, '74 Cambridge, MN	Mathematics Instructor, Independent School District #911, Cambridge
Edward J. Flahavan, '73 Saint Paul, MN	Director, Urban Affairs Commission, Archdiocese of Saint Paul/Minneapolis, Saint Paul
Fred J. Gelbmann, '73 Saint Paul, MN	Director — Project RESHAPE, Saint Cloud
Gordon M. Griller, '74 Bloomington, MN	Assistant Court Administrator, Minneapolis
Kenneth E. Irrgang, '74 Saint Joseph, MN	Campus Pastor, College of Saint Benedict, Saint Joseph
A. Milton Johnson, '74 Montevideo, MN	Court Administrator, Eighth Judicial District, Montevideo
Kenneth Landro, '73 Golden Valley, MN	Manager, Professional and Corporate Relations Foundation for Health Care Evaluation, Minneapolis



Name, Selection Year, Current Residence	Current Employment
Todd J. Lefko, '73 Saint Paul, MN	Instructor, General College, University of Minnesota, Minneapolis
Richard J. Leider, '73 Minneapolis, MN	Organization Development Consultant, Wilson Learning Corporation, Eden Prairie
Richard J. Leisen, '74 Saint Cloud, MN	Director, Saint Cloud Children's Home, Saint Cloud
June Ann Lucas, '73 San Diego, CA	Resource Development Coordinator, The Community Congress of San Diego
LeRoy L. Martin, '74 Saint Paul, MN	Market Administration Manager, Josten's, Inc., Bloomington
Trudy R. McFall, '73 Minneapolis, MN	Housing Program Manager, Metropolitan Council, Saint Paul
Leif I. Monson, '74 Lowry, MN	Clergyman, English Lutheran Church, Walnut Grove and Lowry
Genevieve L. O'Grady, '74, Minnesota City, MN	Administrator, Riverhaven School, Winona
Mary Lou Pearson, '74 International Falls, MN	Teacher, Independent School District #361, International Falls
David A. Phillips, '74 Burnsville, MN	Director of Development, Metropolitan Medical Center, Minneapolis
Bernard J. Raphael, '74 Minneapolis, MN	Associate Dean of Instruction, Business and Interdisciplinary Study Program, Normandale Junior College, Bloomington
Patricia D. Samples, '73 Minneapolis, MN	Executive Director, Metropolitan Cultural Arts Center, Minneapolis
Marie B. Sathrum, '74 Northfield, MN	Project Director, Northfield Arts Guild, Northfield
Wayne C. Stumme, '74 Minneapolis, MN	Assistant Director, Division for Theological Education and Ministry, American Lutheran Church, Minneapolis
Frank J. Voth, '73 Minneapolis, MN	Director of Development, Good Value Homes, Anoka
Ardes N. Walz, '74 Pipestone, MN	School Nurse, Pipestone Public Schools, Pipestone
Suzanne Weil, '73 Minnetonka, MN	Coordinator of Performing Arts, Walker Art Center, Minneapolis
Manuel Woods, '73 Minneapolis, MN	Admissions Associate, Office of Admissions, University of Minnesota, Minneapolis

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# GRANTMAKING POLICIES AND PROCEDURES

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## **REVISED GRANTMAKING GUIDELINES**

On January 13, 1975 The Bush Foundation Board of Directors adopted revised grantmaking guidelines. This was the second such revision in the four years since the original guidelines were approved. The new revisions reflect evolution, not sharp change. The major difference between the new guidelines and the previous ones are that North and South Dakota have been added to the geographic region of the Foundation's major interest, and that the Foundation does not in the near future expect to support individual projects in biomedical research.

## **MAJOR CURRENT INTERESTS**

1. The Bush Foundation is predominantly a regional grantmaking foundation, with broad interests in education, social services, health, arts and humanities, and in the development of leadership.
2. The Foundation is interested in education at all levels, with major emphasis in higher education. A majority of its recent grants in education have been awarded to public and private colleges and universities. Two major purposes served by the Foundation's recent grants in public higher education are to improve quality and efficiency of administration and to help these institutions work with surrounding communities and regions on problems of mutual interest. Underlying the Foundation's support for private colleges is the view that long-run financial health is a crucial current and future need. Accordingly, the Foundation emphasizes efforts to open new student markets, to stimulate improved management, and to help colleges try to develop new sources of unrestricted income. The relatively smaller amounts granted to elementary and secondary schools are mainly for public school districts seeking to experiment with new learning programs and new approaches to teaching and administration. An undeveloped but potential area of the Foundation's interest is in possible new learning opportunities for pre-school children.

3. The Foundation seeks to support projects which may help demonstrate and evaluate ways to lessen, prevent or resolve contemporary social problems. Those projects which involve the elements of relatively early intervention and reasonable cost are of particular interest.
4. The Foundation is interested in encouraging the delivery of good medical care — at reasonable cost to recipients and to society — particularly in areas which now are underserved. In the near future the Foundation hopes to concentrate on those education and training efforts which seem most likely to affect the distribution, quality and efficiency of medical care.
5. Within its geographic region of major interest, the Foundation accepts special responsibility in the arts and humanities, including support for music, theater, dance, visual arts and the general preservation of our cultural heritage.
6. The development of leadership potential was of particular interest to the founder of The Bush Foundation, and will continue to command its interest and resources.

### **RESTRICTIONS AND AREAS OF HIGH SELECTIVITY**

1. The Foundation recently has concentrated its major interest on projects originating in, or of special value to Minnesota, with Chicago and central Florida as areas of secondary interest and others less so. In January 1975, North Dakota and South Dakota were added to the defined area of major interest. In 1975, also, the Bush Leadership Fellows Program was expanded to include coverage of North and South Dakota, and the counties of Western Wisconsin which are part of the Ninth Federal Reserve District.  
Proposals for projects outside the United States ordinarily will not be approved.
2. The Bush Foundation ordinarily will not contribute to other private foundations, but this shall not preclude its joining with one or more foundations in a common effort of special interest.
3. The Foundation does not make direct grants to individuals except through established, defined programs such as the Bush Leadership Fellows Program. Ordinarily, the Foundation's grants are made only to non-profit, tax-exempt organizations.
4. Although the Foundation seeks to appraise each grant proposal on its merits, the following kinds of grant proposals face increasingly stringent selectivity:
  - a. Proposals for building construction, particularly in education and medicine — but in the Foundation's other areas of interest also.

In addition to the appropriateness of the building plans themselves, the importance and quality of the program activity to be housed, and the impact of the proposed construction on this activity, also are significant in the consideration of these requests. Recent exceptions to the Foundation's selectivity in making grants for buildings have been among sheltered workshops and certain residential youth programs.

- b. Proposals requesting endowment funds.
  - c. Proposals requesting support to cover past operating deficits.
  - d. Proposals seeking general and continuing operating support.
5. The Foundation for some time has been reluctant to provide funds for basic scholarly research within established academic disciplines. In September, 1974 the Board of Directors voted to cease granting funds for project research in the biomedical and health sciences. While acknowledging the general importance of biomedical research, the Board reasoned that excellent foundation grantmaking performance in this area probably requires a larger continuing investment of funds, a surer sense as to which specific research areas would be significantly improved if more money were made available, and greater specialization of the Foundation's staff than seems possible or desirable for The Bush Foundation to attempt at this time.

## GRANTMAKING PROCEDURES

**Responsibility for Decisions.** All commitments of grant funds are made by the Board of Directors. The Board meets at least quarterly, but rarely at intervals of less than two months. The Grants Committee, a five-man subcommittee of the Board, discusses all grants prior to final Board action, and makes recommendations of final action to the Board.

All grant proposals to be considered by the Grants Committee and the Board are first investigated by the Foundation's staff. The results of these investigations are made available to the Grants Committee and the Board.

**Time Required for Decisions.** Grant proposals should be submitted to the Executive Director of the Foundation three months prior to the Board meeting at which consideration of the proposal is desired. This normally is a minimum time needed to complete the steps required for consideration. But if the proposal is highly specialized, if it requires the review of outside consultants, or if additional information is needed before serious consideration is possible, the process of consideration usually takes longer.

Ordinarily one member of the Foundation's program staff is assigned to work on a specific proposal when it is received by the Foundation. This staff member will suggest further discussion with the author of the proposal if it seems necessary, and may also seek other opinions and background infor-

mation. This staff member will also be responsible for presenting the proposal, the results of the related investigation, and the staff's composite recommendation to the Grants Committee and to the Board.

**Preliminary Inquiries.** The Foundation staff welcomes brief preliminary letters inquiring about possible interest of the Foundation in providing funds for a particular project. The staff also is pleased to answer written or telephone inquiries concerning application procedures, desired documentation, timing problems, and so on.

In answering questions about the possible future Foundation action on a proposal idea, the staff replies will usually range from "possible" to "unlikely." These staff appraisals never signal quick, optimistic encouragement as to final outcome. At the same time, they rarely are so discouraging as to prohibit finally any further consideration. However, recent staff estimates suggesting that proposal ideas seemed "unlikely" to command Board interest and final approval have almost always proven correct, even though the estimates in no way commit or limit later Board action. During the past three years, the Foundation has had sufficient funds to grant only about one third of the completed requests submitted.

**Exploration of Other Sources of Support.** Grant applicants ordinarily should explore all other possible sources of support in addition to approaching The Bush Foundation. This exploration does not hurt the chances for a favorable decision by The Bush Foundation, but may improve the chances that the project will find support somewhere. In the event other sources do provide partial or full support, The Bush Foundation should be notified promptly, so that the staff may revise the amount requested in line with up-to-date and realistic needs.

## GRANT PROPOSALS

**Form of Presentation.** There is no special form for applying for a grant. The proposals made to the Foundation vary widely as to purpose, and hence vary also as to the documentation needed for fair consideration. Plans which have been worked out thoughtfully and described concisely are always welcomed. Expensive brochures and extra efforts at slick packaging generally seem wasteful.

**Desired Contents.** A detailed list of "Application Requirements" is available at the Foundation office, and should be requested before drafting a final proposal. Following is a summary of the information which ordinarily should be provided in a completed proposal for a new project:

1. A clear description of the project, what it may be expected to achieve, and why it is important to undertake.
2. A detailed expense budget for the project, showing how the re-

requested funds would be spent and during what time periods. The budget should make clear how the major elements of expense were estimated. Applicants should specify when the grant payment is desired, and in what amount; if more than one payment is requested under the grant, a suggested schedule of payments should be provided.

3. A statement of other possible sources of support, public or private, which have been or will be approached concerning the project, including a statement of funds which have been received or pledged.
4. If the project is to be continued after the period for which support has been requested, an explanation of how continuation of the project is to be financed.
5. The procedure and criteria by which effectiveness of the grant should be judged after the grant funds have been expended.
6. Information concerning the organization and the responsible officers who intend to carry out the project:
  - a. A brief description of the organization making the proposal.
  - b. The names and primary affiliations of the organization's directors or trustees.
  - c. The name(s) and qualifications of the person(s) who would administer the grant.
  - d. An audited balance sheet and income statement, if available, for the organization's previous fiscal year.
7. A copy of the organization's most recent tax-exempt ruling from the Internal Revenue Service, along with either a statement as to any revisions which may be pending, or a statement that there has been no change and none is pending.
8. If the request comes from a department or individual in an organization, the request should also be endorsed by the administrative head of the organization. If possible, the endorsement should also comment upon the relative priority of the request compared with other needs which The Bush Foundation may be asked to support.
9. For demonstration projects, research studies, and experiments, a description of similar work which has been carried out previously by other agencies would be helpful, along with an estimate of the significance of this prior work to the proposed project.
10. Proposals seeking funds for basic scholarly research should be written so that the project and its importance may be understood by non-specialists, and also so that the specific work plan may be understood and reviewed by consultants in the specific discipline involved. The Foundation has been extremely selective in approving grants for basic scholarly research of all kinds.



## APPROVED GRANTS

**Notification of Approval.** The Bush Foundation will send written notice to applicants concerning all Board decisions to approve or deny grant proposals, usually within ten days following the Board meeting involved. During this period, also, the Foundation notifies Minnesota newspapers, and radio and television stations of grants which have been approved. The Foundation Center in New York City is also notified of approved grants so that its central data file may be kept current.

**Reports to the Foundation.** The Foundation will require progress reports at least annually stating what has been accomplished by expenditures of the grant funds, along with appropriate financial reports as to how the funds were spent. Grant funds may be spent only for the purposes granted. Uncommitted funds at the end of the grant period must be returned to the Foundation unless other arrangements have been proposed beforehand and approved formally by the Foundation's Board of Directors. Following the end of the period for which funds were granted, the grantee must provide the Foundation with a final financial accounting for the grant funds, and an evaluation and summary of the results obtained.

**Foundation Self-Evaluation.** In addition to receiving reports from grantee organizations concerning the impact of the funds granted, the Foundation asks both its own full-time staff and also outside evaluators to review the experience of the Foundation's past grants and to suggest improvements in the Foundation's grantmaking procedures. The principal purpose of the survey review activity is to ensure that the Foundation periodically evaluates its own performance, and not to appraise the worthiness of individual grant recipients for possible future grants. The thoughtful assistance which recipients of Bush grants since 1970 have given to this self-evaluation work for the Foundation has been invaluable. The Foundation expects that it will continue to need this kind of help from its grant recipients in the future.

**Summary Statistics for 1974 Grants.** The following tables summarize The Bush Foundation's recent grants, classified by the type of institution to which funds were granted, by size and duration of grants, and by the geographic location of the grantees.

**Summary of Grants Approved in Fiscal Years 1973, 1974, and 1975  
Classified by Type of Institution to Which Funds Were Granted**

Type of Institution	1973	1974	1975	3-Year Total
A. Humanities and Performing Arts	\$ 998,902 (10) 16.4%	\$2,110,152 (13) 21.6%	\$1,289,000 (10) 27.5%	\$ 4,398,054 (33) 21.4%
B. Education (including research in colleges and universities)	2,662,661 (26) 43.6%	4,835,706 (30) 49.5%	1,520,304 (26) 32.4%	9,018,671 (82) 43.9%
C. Health	335,730 (6) 5.5%	323,446 (4) 3.3%	265,000 (4) 5.7%	924,176 (14) 4.5%
D. Human Services	997,347 (22) 16.3%	962,500 (18) 9.9%	743,360 (12) 15.9%	2,703,207 (52) 13.2%
E. Miscellaneous (including environment, corrections and law, communications, and others not included above)	904,346 (11) 14.8%	1,059,521 (10) 10.9%	330,500 (8) 7.0%	2,294,367 (29) 11.1%
F. Fellowship Program Stipends	204,500 (1) 3.4%	471,400 (1) 4.8%	539,800 (2) 11.5%	1,215,700 (4) 5.9%
<b>TOTALS</b>	<b>\$6,103,486</b> (76) 100.0%	<b>\$9,762,725</b> (76) 100.0%	<b>\$4,687,964</b> (62) 100.0%	<b>\$20,554,175</b> (214) 100.0%

NOTE: (1) In each cell, the dollar figure represents the total amount granted, the figure next below in parentheses shows the number of grants made, and the bottom figure shows the percentage of all grant dollars awarded during that fiscal year.

**Summary of Grants Approved in Fiscal Year 1975, Classified by Size, Duration, and Geographic Location of Grantees**

Classification of Grants	Number of Grants Approved	
I. Size	\$ 0-9,999	4
	10,000-24,999	8
	25,000-49,999	15
	50,000-99,999	23
	100,000-199,999	7
	200,000-499,999	5
<b>TOTAL</b>		<b>62</b>
II. Duration	1 Year	42
	2 Years	10
	3 Years	8
	4 Years	2
<b>TOTAL</b>		<b>62</b>
III. Geographic Location	Minnesota	51
	Illinois	7
	Florida	1
	Other	3
<b>TOTAL</b>		<b>62</b>

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**STATEMENT OF GRANTS**  
**FOR YEAR ENDED NOVEMBER 30, 1975**

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Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appro- priated 1975	Amount Paid 1975	Unpaid Balance 1975
<b>A. PERFORMING ARTS AND HUMANITIES</b>					
<b>Museums</b>					
Walker Art Center, Inc., Minneapolis					
To support Center-sponsored dance programs					
1974 grant	\$ 67,900	\$ 67,900	. . . .	\$ 31,200	\$ 36,700
To support the Center's special exhibition program	200,000	90,000	. . . .	70,000	20,000
<b>Theater</b>					
Guthrie Theater Foundation, Minneapolis					
Toward operating expenses	80,000	. . . .	\$ 80,000	80,000	. . . .
Minnesota Ensemble Theatre, Minneapolis					
To initiate training for humanities' teachers in public schools in ensemble theater techniques	60,352	27,504	(27,504)	. . . .	. . . .
<b>Music and Opera</b>					
Greater Twin Cities Youth Symphonies, Minneapolis					
Toward operating expenses	15,000	. . . .	15,000	5,000	5,000
Lyric Opera of Chicago					
Toward operating expenses of the 1974 and 1975 seasons	50,000	50,000	. . . .	25,000	25,000
Minnesota Opera Company, Minneapolis					
Toward operating expenses of the 1975-76 season	35,000	. . . .	35,000	35,000	. . . .
Minnesota Orchestral Association, Minneapolis					
Toward costs of a new Symphony hall in Minneapolis					
1972 grant	750,000	550,000	. . . .	200,000	350,000
1973 grant	250,000	250,000	. . . .	. . . .	250,000
To match increases in Guaranty Fund contributions (operating expenses)					
1975 grant	135,000	. . . .	135,000	. . . .	135,000

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
The Orchestral Association, Chicago To assist establishment of an endowment fund to engage guest artists	150,000	25,000	.....	25,000	.....
Saint Paul Civic Philharmonic Society, Inc. To match increased earned income and to support operating expenses of the 1974-75 season of the Saint Paul Chamber Orchestra	150,000	100,000	.....	100,000	.....
To match increased earned and unearned income and to support operating costs of the 1975-76 and 1976-77 seasons of the Saint Paul Chamber Orchestra	220,000	.....	220,000	.....	220,000
<b>Other</b>					
The Minneapolis Society of Fine Arts Supplementary support for the \$32 million Heritage Fund Campaign for new buildings, endowment and programs for the Society 1974 grant	231,000	231,000	.....	231,000	.....
Minnesota Historical Society, Saint Paul To purchase rare books and works of art	45,000	30,000	.....	15,000	15,000
Toward costs of microfilming the Society's collection of Minnesota newspapers	83,900	83,900	.....	41,950	41,950
Minnesota Landmarks, Saint Paul Unpaid balance on grant to Saint Paul Council of Arts and Sciences toward renovation of Old Federal Courts Building transferred to Minnesota Landmarks			250,000	.....	250,000
Minnesota State Arts Council, Minneapolis To support a touring residency program of the Nancy Hauser Dance Company in rural Minnesota	64,401	17,917	.....	17,917	.....
Newberry Library, Chicago Challenge grant to increase annual membership	45,000	.....	45,000	.....	45,000
Ramsey County Historical Society, Inc., Saint Paul To help develop a program on the early history of Saint Paul	10,000	5,000	.....	5,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
Saint Paul Council of Arts and Sciences					
To assist the 1974 Annual Fund Drive which supports 1974-75 operating costs of seven member agencies	230,000	65,000	.....	65,000	.....
To support renovation of The Old Federal Courts Building and expansion of the Science Museum of Minnesota	1,000,000	1,000,000	(250,000)	500,000	250,000
To assist the 1975 Annual Fund Drive	230,000	.....	230,000	165,000	65,000
Saint Paul-Ramsey Arts and Science Council					
To match increased contributions to the 1976 Annual Fund Drive	300,000	.....	300,000	.....	300,000
Spring Hill Conference Center, Wayzata, Minnesota					
To support Center-sponsored programs	30,000	.....	30,000	20,000	10,000
Twin Cities Metropolitan Arts Alliance, Minneapolis					
To support a performing arts Ticket Voucher Program	199,000	.....	199,000	73,500	125,500
TOTAL—ARTS		<u>\$2,593,221</u>	<u>\$1,256,496</u>	<u>\$1,705,567</u>	<u>\$2,144,150</u>

#### B. EDUCATION

##### Private Elementary and Secondary Education

American Field Service, Inc. New York					
To permit visiting foreign exchange students to become acquainted with additional families and regions of Minnesota	\$ 24,300	\$ 6,662	.....	6,662	.....
Project Discovery, Saint Paul					
To support inner-city educational program in the Archdiocesan schools of Saint Paul	128,000	58,000	.....	40,000	\$ 18,000
Planning grant for cooperative programs with the Saint Paul Public Schools	3,000	.....	\$ 3,000	3,000	.....
Saint Paul Academy and Summit School, Saint Paul					
To support training program for Minnesota School Administrators in the development of programs for gifted children	17,710	.....	17,710	17,710	.....



Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
<b>Public Elementary and Secondary Education</b>					
Independent School District #1, Minneapolis To support development of pilot program for American Indian students in Minneapolis Public Schools	70,000	.....	70,000	30,000	40,000
Independent School District #625, Saint Paul To help develop an alternative program for emotionally disturbed secondary school students	194,000	110,000	.....	60,000	50,000
Independent School District #793, Staples, Minnesota To encourage transfer of experimental program into other rural school systems in Minnesota	109,750	35,000	.....	35,000	.....
Minnesota Association of School Administrators, Saint Paul Planning grant for leadership training program for public school administrators in Minnesota	10,200	.....	10,200	10,200	.....
<b>Private Higher Education</b>					
Alumni Challenge Grants To increase both unrestricted dollar receipts and the number of donors, through matching incentives, in the alumni and alumnae funds of Minnesota private colleges					
Augsburg College, Minneapolis First Renewal, 1974-75	70,000	70,000	.....	70,000	.....
Second Renewal, 1975-76	60,000	.....	60,000	.....	60,000
Bethel College and Seminary, Saint Paul Initial Grant, 1975-76	62,000	.....	62,000	.....	62,000
Carleton College, Northfield, Minnesota First Renewal, 1974-75	80,000	80,000	.....	80,000	.....
College of Saint Benedict, Saint Joseph, Minnesota Initial Grant, 1974-75	46,000	46,000	.....	46,000	.....
First Renewal, 1975-76	43,000	.....	43,000	.....	43,000
College of Saint Catherine, Saint Paul Initial Grant, 1974-75	54,000	54,000	.....	54,000	.....
First Renewal, 1975-76	46,000	.....	46,000	.....	46,000
College of Saint Scholastica, Duluth, Minnesota First Renewal, 1974-75	25,000	25,000	(23,134)	1,866	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
College of Saint Teresa, Winona, Minnesota					
Initial Grant, 1974-75	54,000	54,000	.....	54,000	.....
First Renewal, 1975-76	50,000	.....	50,000	.....	50,000
College of Saint Thomas, Saint Paul					
Second Renewal, 1974-75	75,000	.....	75,000	75,000	.....
Third Renewal, 1975-76	60,000	.....	60,000	.....	60,000
Hamline University, Saint Paul					
First Renewal, 1974-75	42,000	42,000	(42,000)	.....	.....
Macalester College, Saint Paul					
Second Renewal, 1974-75	50,000	50,000	(11,563)	38,437	.....
Third Renewal, 1975-76	40,000	.....	40,000	.....	40,000
Saint John's University, Collegeville, Minnesota					
First Renewal, 1974-75	70,500	70,500	(3,000)	67,500	.....
Second Renewal, 1975-76	63,500	.....	63,500	.....	63,500
Saint Mary's College, Winona, Minnesota					
Initial Grant, 1974-75	75,000	75,000	.....	75,000	.....
First Renewal, 1975-76	50,000	.....	50,000	.....	50,000
Bush Opportunity Grants					
To provide scholarships based on financial need but not ex- ceeding \$1,000 each for graduates of Minnesota com- munity and junior colleges who transfer to a four-year Minnesota private college					
1972 grant	1,224,000	585,262	.....	.....	204,362
1974 grant	670,000	670,000	.....	.....	670,000
Augsburg College, Minneapolis	.....	.....	.....	69,992	.....
Bethel College, Saint Paul				17,600	
Carleton College, Northfield, Minnesota				500	
College of Saint Benedict, Saint Joseph, Minnesota				5,713	
College of Saint Catherine, Saint Paul				25,050	
College of Saint Scholastica, Duluth, Minnesota				14,760	
College of Saint Teresa, Winona, Minnesota				4,000	
College of Saint Thomas, Saint Paul				65,687	
Concordia College, Moorhead, Minnesota				35,438	
Concordia College, Saint Paul				3,272	
Gustavus Adolphus College, Saint Peter, Minnesota				12,000	
Hamline University, Saint Paul				82,363	
Macalester College, Saint Paul				13,000	
Minneapolis College of Art and Design, Minneapolis				11,500	
Saint John's University, Collegeville, Minnesota				10,250	
Saint Mary's College, Winona, Minnesota				1,775	

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
Saint Olaf College, Northfield, Minnesota				8,000	
College of Saint Scholastica, Duluth, Minnesota					
Continued support for Indian students' program at the college and on nearby Indian reservations	17,000	.....	17,000	17,000	.....
Concordia College, Moorhead, Minnesota					
To support college-wide extension of a pilot curriculum evaluation system	83,613	.....	83,613	36,500	47,113
Erikson Institute for Early Education, Chicago					
To support the Institute's program of graduate level training for teachers of pre-school children	100,000	50,000	.....	50,000	.....
1975 grant	130,000	.....	130,000	65,000	65,000
Gustavus Adolphus College, Saint Peter, Minnesota					
To strengthen scholarship support for low-income minority students	150,000	50,000	.....	50,000	.....
Hamline University, Saint Paul					
Planning grant for new program to train teachers of pre-school children	9,800	.....	9,800	9,800	.....
Higher Education Consortium for Urban Affairs, Inc., Saint Paul					
To expand urban studies programs among nine private colleges in Minnesota, South Dakota and the University of Minnesota	54,000	54,000	.....	27,000	27,000
Minnesota Private College Fund, Minneapolis					
For support of programs selected by the individual college presidents at the fifteen member colleges					
1974 grant	400,000	400,000	.....	200,000	200,000
Saint John's University, Collegeville, Minnesota					
To construct a new facility for the Monastic Manuscript Microfilm Library	540,000	540,000	.....	460,000	80,000
Tulane University, New Orleans, Louisiana					
To help build patient care and teaching facilities at the Tulane Medical Center	500,000	300,000	.....	100,000	200,000
The University of Chicago					
Continued operating support for the A. G. Bush Library					

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
at the University's Industrial Relations Center					
1974 grant	135,000	67,500	.....	67,500	.....
1975 grant	225,000	.....	225,000	50,000	175,000
The University of Chicago					
To support research of Dr. Alison Clarke-Stewart to assess effects of different child-care arrangements on the behavior of children age 2-5	93,260	.....	93,260	44,095	49,165
University of Miami, Coral Gables, Florida					
To support the 1976 Alumni Loyalty Fund	25,000	.....	25,000	.....	25,000
Westminster College, Salt Lake City, Utah					
To stimulate unrestricted annual contributions from selected community groups	50,000	50,000	.....	50,000	.....
<b>Public Higher Education</b>					
Tri-College University, Fargo, North Dakota					
To support the development of coordinated and computerized book acquisition procedures at North Dakota State, Moorhead State and Concordia Colleges	75,000	25,000	.....	25,000	.....
University of Minnesota, Minneapolis					
Bush Theater Fellowships					
For support of graduate student fellowships at the University of Minnesota and the Guthrie Theater	93,740	66,940	.....	66,940	.....
1973 grant					
Center for Youth Development					
For operating and research costs	60,000	20,000	.....	20,000	.....
Diabetes Research					
To support investigation by Dr. Frederick C. Goetz as to whether kidney disease in diabetic patients is genetically determined or results from chemical changes in the body which are produced by diabetes	204,926	128,967	.....	40,889	88,078
Duluth Medical School					
To help develop a program in allied health sciences at the University of Minnesota (Duluth), The College of Saint Scholastica (Duluth), and the University of Wisconsin at Superior	215,028	184,302	.....	58,541	125,761

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
Graduate School Evaluation To support external evaluation of the University's Graduate School departments in conjunction with internal evaluations which the University is conducting	115,000	69,000	. . . .	46,000	23,000
Graduate School Fellowships Fellowships for graduate students in M.A. and Ph.D. programs under the administration of the Graduate School	2,000,000	1,700,000	. . . .	600,000	1,100,000
Program in Human Sexuality To support a Medical School program for professional education, therapy and research in human sexuality					
1972 grant	418,555	55,000	. . . .	55,000	. . . .
1975 grant	86,400	. . . .	86,400	43,200	43,200
University of Minnesota Foundation, Minneapolis Leukemia Research Fund To support leukemia research	60,000	. . . .	60,000	30,000	30,000
<b>Other Education</b>					
A Better Chance, Inc. Boston, Massachusetts To help start a residential program in Rochester, Minnesota for disadvantaged high school students	30,000	10,000	. . . .	10,000	. . . .
Junior Achievement, Inc., New York To help expand Saint Paul program in economic and business education for high school students	10,000	. . . .	10,000	5,400	4,600
Minnesota Early Learning Design, Minneapolis Toward costs of demonstration project in parent education	75,000	. . . .	75,000	25,000	50,000
Minnesota Literacy Council, Saint Paul To support adult literacy courses taught by volunteer tutors to individual students	11,755	8,210	. . . .	4,375	3,835
Minnesota Outward Bound School, Ely, Minnesota To help expand a wilderness education program into urban schools and court systems	25,000	10,000	. . . .	10,000	. . . .

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
Youth For Understanding, Ann Arbor, Michigan Toward administrative costs of a Minnesota office for an international high- school student exchange program	54,821	.....	54,821	21,402	33,419
TOTAL—EDUCATION		<u>\$5,820,343</u>	<u>\$1,440,607</u>	<u>\$3,433,917</u>	<u>\$3,827,033</u>
<b>C. HEALTH</b>					
Childbirth Education Association of Greater Minneapolis-Saint Paul, Inc., Saint Paul To support childbirth prep- aration program for unwed mothers and clinic patients					
1974 grant	\$ 24,500	\$ 24,500	.....	\$ 24,500	.....
1975 grant	30,000	.....	\$ 30,000	.....	\$ 30,000
Mary Lee DePugh Nursing Home Association, Winter Park, Florida To help build an addition to its residence facility	100,000	100,000	.....	.....	100,000
Indian Health Board of Minneapolis To support two additional doctors who will work at the Indian Health Clinic as part of their resident medical training	178,446	98,829	.....	70,912	27,917
Mayo Foundation, Rochester, Minnesota To help develop and operate a new undergraduate medical school at the Mayo Clinic	1,000,000	500,000	.....	200,000	300,000
Meharry Medical College, Nashville, Tennessee Scholarship support for low- income medical and dental students	150,000	25,000	.....	25,000	.....
Metro Area Community Health, Minneapolis To help support the consortium's operating costs	30,000	.....	30,000	20,000	10,000
Psychoanalytic Foundation of Minnesota, Inc., Minneapolis For program development					
1971 grant	100,000	25,000	(25,000)	.....	.....
1974 grant	60,000	60,000	.....	5,000	55,000
Rush-Presbyterian-Saint Luke's Medical Center, Chicago To support the new College of Nursing	165,000	.....	165,000	165,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
Washburn Child Guidance Center, Minneapolis Contribution to annual fund drive for operating support	40,000	.....	40,000	.....	40,000
The Constance Bultman Wilson Center for Education and Psychiatry, Faribault, Minnesota Toward operating expenses of a residential treatment center and school for emotionally-disturbed adolescents November, 1974 grant	45,000	45,000	.....	30,000	15,000
<b>TOTAL—HEALTH</b>		<u>\$ 878,329</u>	<u>\$ 240,000</u>	<u>\$ 540,412</u>	<u>\$ 577,917</u>

**D. HUMAN SERVICES**

<b>Health and Rehabilitation</b>					
Hammer School, Wayzata, Minnesota Toward capital improvements for a residence for handicapped persons	\$ 60,000	.....	\$ 60,000	\$ 60,000	.....
Hazelden Foundation, Center City, Minnesota Toward the cost of training lay counselors in the treatment of alcoholism	36,000	\$ 12,000	.....	\$ 12,000	.....
Homeward Bound, Inc., Minneapolis Toward starting costs of a new residence for handicapped children	50,000	.....	50,000	50,000	.....
Juel Fairbanks Aftercare Residence, Saint Paul For operating expenses of a residential facility for convalescent Indian alcoholics	20,000	20,000	.....	20,000	.....
Interstate Rehabilitation Association, Red Wing, Minnesota Toward building costs of a new sheltered workshop for handicapped persons	50,000	.....	50,000	50,000	.....
Lake Region Rehabilitation Industries, Inc., Fergus Falls, Minnesota Toward building costs of a new sheltered workshop for handicapped persons	50,000	.....	50,000	.....	\$ 50,000
Minneapolis Society for the Blind, Minneapolis To help purchase a new packaging machine for sheltered workshop	12,500	.....	12,500	12,500	.....

<b>Organization and Purpose</b>	<b>Initial Grant</b>	<b>Unpaid Balance 1974</b>	<b>Appropriated 1975</b>	<b>Amount Paid 1975</b>	<b>Unpaid Balance 1975</b>
Minnesota Society for Crippled Children and Adults, Inc., Golden Valley, Minnesota To establish a revolving loan fund to help rehabilitation workshops in Minnesota prepare for new manufacturing contracts	200,000	100,000	.....	100,000	.....
Toward construction of a new building	150,000	50,000	.....	50,000	.....
Rehabilitation Institute of Chicago, Inc. To help construct a new rehabilitation facility	105,000	35,000	.....	35,000	.....
Saint Paul Drug Rehabilitation Center, Inc. To support a methadone maintenance program for chemically-dependent persons	27,048	6,762	.....	6,762	.....
Union Gospel Mission Association, Saint Paul To assist moving the Mission's adult facilities to a new site	500,000	400,000	.....	.....	400,000
<b>United Funds</b>					
United Way of the Saint Paul Area, Inc. For the 1975 Annual Campaign	165,000	165,000	.....	165,000	.....
For the 1976 Annual Campaign	185,000	.....	185,000	.....	185,000
To help design and install systems for measuring program effectiveness in human service agencies	39,000	.....	39,000	39,000	.....
<b>Youth and Family Services</b>					
The Allendale Association, Inc., Lake Villa, Illinois For construction of a new dining facility at Allendale School for emotionally-disturbed boys	50,000	.....	50,000	50,000	.....
Boy Scouts of America, Minneapolis To help establish Boys' Clubs in Saint Cloud and Mankato, Minnesota	20,000	10,000	(10,000)	.....	.....
Children's Home Society of Minnesota, Saint Paul To support development of a post-legal adoption counseling and education program	61,860	.....	61,860	26,114	35,746



<b>Organization and Purpose</b>	<b>Initial Grant</b>	<b>Unpaid Balance 1974</b>	<b>Appropriated 1975</b>	<b>Amount Paid 1975</b>	<b>Unpaid Balance 1975</b>
Directions for Youth, Inc., Saint Paul To help start a residential counseling program for emo- tionally-disturbed minority youth	41,385	39,885	.....	39,885	.....
Enablers, Inc., Minneapolis To support an information clearing house for youth service programs in the Twin Cities metropolitan area	30,000	15,000	.....	15,000	.....
Minnesota Sheriffs Boys' Ranch, Austin, Minnesota To support improvements on a new facility in Isanti, Minnesota for emotionally- disturbed boys	24,507	24,507	.....	24,507	.....
Sicangu Wolakota Oti, (Rosebud Indian House of Friendship) Saint Francis, South Dakota To help expand the residence facility for adolescent boys on the Rosebud Sioux Reservation	30,000	.....	30,000	30,000	.....
<b>Service for the Aged</b>					
Little Sisters of the Poor, Saint Paul To help build a home for the aged poor	150,000	.....	150,000	50,000	100,000
<b>Other Human Services</b>					
Community Design Center of Minnesota, Minneapolis To support free design and planning services for low- income individuals and non- profit organizations 1974 grant	25,000	25,000	.....	17,500	7,500
Community Development Corporation of Greater Saint Paul Toward operation of the Community Housing Corpora- tion, which rehabilitates substandard housing	66,000	33,000	.....	33,000	.....
Secretary of the Interior of the United States — Bureau of Indian Affairs, Minneapolis A grant to the Mdewakanton Sioux Community, Shakopee, Minnesota, to construct a community hall for tribal members	50,000	25,000	.....	25,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
The Saint Paul Urban Coalition, Inc., Saint Paul Contribution to the Coalition's 1975-76 minority scholarship program	5,000	.....	5,000	5,000	.....
Women's Advocates, Saint Paul Toward operating and capital expenses of a program providing emergency housing and other services for women	60,000	25,000	.....	25,000	.....
<b>TOTAL—HUMAN SERVICES</b>		<u>\$ 986,154</u>	<u>\$733,360</u>	<u>\$ 941,268</u>	<u>\$ 778,246</u>

**E. OTHER**

**Communications**

Minnesota Public Radio, Saint Paul To match increased membership income	\$ 127,000	...	\$ 127,000	\$ 73,000	\$ 54,000
Three Prong Television Productions, Inc., Chicago To support Prime Time School Television project, which informs teachers about particularly worthwhile educational television programs scheduled for commercial stations	170,000	20,000	(13,235)	6,765	.....

**Environment**

Minnesota Environmental Sciences Foundation, Inc., Golden Valley, Minnesota To support development of elementary and secondary school curriculum materials in environmental education	75,000	11,500	.....	11,500	.....
Minnesota Geographic Society, Minneapolis To support publication of <i>The Minnesota Earth Journal</i> and other Society programs	46,750	28,950	.....	15,350	13,600
Minnesota Parks Foundation, Red Wing, Minnesota To purchase thirty acres of undeveloped land along the Mississippi River bluff across from Saint Paul for inclusion in Lilydale Park	130,000	127,000	(51,429)	75,571	.....
To purchase an additional private homesite for inclusion in Lilydale Park	46,500	.....	46,500	46,500	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
<b>Law and Corrections</b>					
Amicus, Inc., Minneapolis To support a volunteer program which assists prison inmates and ex-offenders	15,000	.....	15,000	15,000	.....
Correctional Service of Minnesota, Minneapolis To help support a training program on the criminal justice system for Minnesota public school teachers	37,000	.....	37,000	10,000	27,000
National Conference of Commissioners on Uniform State Laws, Chicago To support costs of developing a Uniform Health Profession Licensing Code	60,000	.....	60,000	.....	60,000
Neighborhood Justice Center, Saint Paul Toward operating expenses of its public defender program	15,000	.....	15,000	15,000	.....
<b>Miscellaneous</b>					
Commission on Private Philanthropy and Public Needs, Washington, D.C. For studies of philanthropy and public policy in the United States	10,000	10,000	.....	10,000	.....
Council on Foundations, New York Toward the cost of the Council's Public Affairs and Education programs	75,000	30,000	.....	15,000	15,000
Foundation Center, Inc., New York For operating expenses for library and foundation resource center	60,000	20,000	.....	20,000	.....
Metropolitan Economic Development Association, Minneapolis To help provide management and financial services for minority businesses	75,000	50,000	.....	25,000	25,000
Minnesota Zoological Garden, Saint Paul For development of a state zoo	785,000	785,000	.....	.....	785,000
Northwest Economic Development, Inc., Crookston, Minnesota To support Up North Handcrafts, a program of design and marketing services for low-income people	25,000	.....	25,000	25,000	.....

Organization and Purpose	Initial Grant	Unpaid Balance 1974	Appropriated 1975	Amount Paid 1975	Unpaid Balance 1975
State of Minnesota — Office of the Governor To support costs of the Governor's Task Force on Public/Educational Radio	5,000	.....	5,000	5,000	.....
Upper Midwest Council, Minneapolis To help support Public Service Options, an experi- mental program working with government and private organi- zations to expand choices available to government for providing public services	75,000	25,000	.....	25,000	.....
<b>TOTAL—OTHER</b>		<u>\$1,107,450</u>	<u>\$ 265,836</u>	<u>\$ 393,686</u>	<u>\$ 979,600</u>

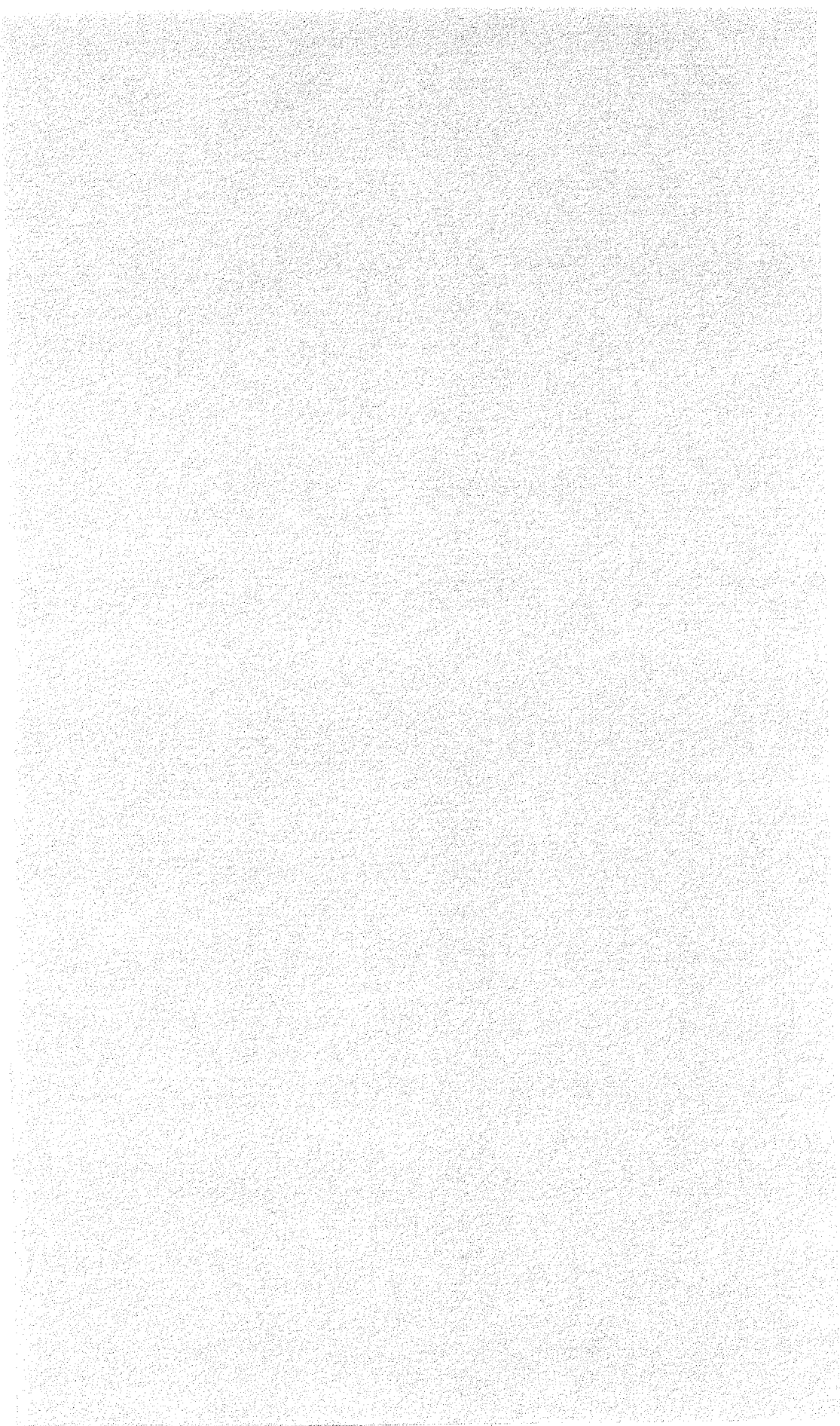
#### F. FELLOWSHIP PROGRAMS

Bush Leadership Fellows and Summer Fellows Program To provide mid-career study and internship opportunities for selected residents of Minnesota, North Dakota, South Dakota, and Western Wisconsin					
1971 Program	\$ 98,000	\$ 6,000	.....	\$ 6,000	.....
1972 Program	139,000	12,373	\$ (9,373)	1,000	\$ 2,000
1973 Program	191,100	26,862	.....	10,595	16,267
1974 Program	232,100	108,283	.....	89,230	19,053
1975 Program	443,800	443,800	.....	164,324	279,476
1976 Program	467,800	.....	467,800	.....	467,800
<b>TOTAL—BUSH LEADERSHIP FELLOWS PROGRAM</b>		<u>\$ 597,318</u>	<u>\$ 458,427</u>	<u>\$ 271,149</u>	<u>\$ 784,596</u>
Bush Foundation Fellow- ships for Artists To enable selected writers and visual artists in Minnesota to set aside time to complete a specific project, to achieve a specified artistic goal, and generally to advance their professional careers	\$ 72,000	\$ .....	\$ 72,000	\$ .....	\$ 72,000
<b>TOTAL—BUSH FOUNDATION FELLOWSHIPS FOR ARTISTS</b>			<u>\$ 72,000</u>	<u>\$ .....</u>	<u>\$ 72,000</u>
<b>TOTAL</b>		<u>\$1,982,815</u>	<u>\$4,466,726*</u>	<u>\$7,285,999</u>	<u>\$9,163,542</u>

\*This figure is the net total appropriated during the 1975 fiscal year. It represents gross appropriations of \$4,687,964, less cancellations and returns of \$221,238.

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## REPORT OF THE TREASURER

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The fiscal year ended November 30, 1975, unlike the two previous years, showed an improvement in investment performance. The total return on Foundation investments (dividends and interest plus appreciation) was 23.7 per cent. Total return on equities was 36.4 per cent compared with 35.6 per cent for S & P 500 stocks and 45.3 per cent for the Dow Jones Industrials. Fixed income investments had a total return of 7.2 per cent while Moody's Corporate Bond Average for the same period was 10.4 per cent.

Market value of the Foundation's assets was \$128,375,498 on November 30, 1975, an increase of \$15,327,332 over the previous year.

Brown Brothers Harriman & Co., New York, The Northern Trust Company, Chicago, and The United States Trust Company, New York are investment advisors to the Board of Directors. The advisors meet regularly with the Board for review and evaluation of investment performances and a discussion of investment policy.

Investment income was \$6,703,776 for the year, an increase of 6.4 per cent over 1973-74. Investment expenses were \$229,388 compared to \$220,366 in the previous year.

Contained in the Last Will and Testament of A. G. Bush is a provision naming The Bush Foundation as the residuary legatee of the Estate of A. G. Bush. The Foundation received no distributions from the Estate in the years ending November 30, 1973, 1974 and 1975. On November 30, 1975, the current market value of the assets remaining in the hands of the Executors of the Estate was approximately \$65,000,000 and included 997,500 shares of common stock of Minnesota Mining and Manufacturing Company. The Estate's appraised value of these remaining assets was \$38,914,000.

New grants totaling \$4,687,964 were approved during the year and \$221,238 in previously approved grants were cancelled. On November 30, 1975 grant commitments for future disbursement totaled \$9,163,542.

Administrative expenses for grant-related purposes in 1974-75 were \$410,260; in 1973-74 they were \$327,928. The Federal Excise Tax, 4 per cent of net investment income, was \$217,580 for 1974-75 versus \$243,000 in 1973-74.

The Bush Foundation is subject to provisions of the Tax Reform Act of 1969 which pertain to private foundations. A provision of the Act requires the Foundation to distribute for 1974-75 the greater of adjusted net investment income or 5½ per cent of the average market value of the Foundation's assets.



The distribution must be made by the end of the 1975-76 fiscal year. For fiscal 1975-76 the distribution requirement will change from 5½ per cent to 6 per cent of average market value of total assets.

FRANKLIN O. BRIESE  
*Treasurer*

ARTHUR ANDERSEN & Co.  
SAINT PAUL, MINNESOTA

To the Board of Directors of  
The Bush Foundation:

We have examined the balance sheet of THE BUSH FOUNDATION (a Minnesota corporation, not for profit) as of November 30, 1975, and November 30, 1974, and the related statements of changes in principal fund, income fund and cash balances for the years then ended, and the supplementary statement (Exhibit 1). Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of The Bush Foundation as of November 30, 1975, and November 30, 1974, and the changes in principal fund, income fund and cash balances for the years then ended, and the supplementary statement presents fairly the information set forth therein, all in conformity with generally accepted accounting principles consistently applied during the years.

*Arthur Andersen & Co.*

ARTHUR ANDERSEN & CO.

January 8, 1976.

**BALANCE SHEET — NOVEMBER 30, 1975 AND 1974**

	ASSETS	
	1975	1974
CASH, including \$60,290 in 1975 and \$75,327 in 1974 held by fiscal agents for investment (Note 4)	\$ 895,759	\$ 248,807
INVESTMENTS, at quoted market value (Exhibit 1 and Note 4):		
U.S. Treasury Bills and commercial paper	\$ 10,172,881	\$ 12,506,667
Corporate, Foreign and U.S. Government Agency bonds and notes, amortized cost of \$55,836,493 in 1975 and \$35,185,057 in 1974	53,909,734	32,998,365
Common stocks, cost of \$63,705,494 in 1975 and \$90,170,926 in 1974	60,858,589	65,465,070
Notes and mortgages receivable, at amortized cost	241,692	415,782
Total investments	\$125,182,896	\$111,385,884
DIVIDENDS AND INTEREST RECEIVABLE	1,695,244	1,375,120
DUE FROM FISCAL AGENT FOR SECURITIES WITH SETTLEMENT PENDING	587,593	. . . .
OTHER ASSETS	14,006	38,355
	\$128,375,498	\$113,048,166

**LIABILITIES AND FUND BALANCES**

	<b>1975</b>	<b>1974</b>
ACCOUNTS PAYABLE, including \$1,773,282 in 1974 payable by fiscal agent for securities with settlement pending	\$ 41,230	\$ 1,824,033
ACCRUED DIRECTORS' INDEMNIFICATION EXPENSE (Note 5)	710,498	. . . . .
ACCRUED FEDERAL EXCISE TAXES (Note 3)	<u>237,372</u>	<u>245,000</u>
UNPAID GRANTS SCHEDULED FOR PAYMENT IN FISCAL YEAR:		
1975	\$ . . . . .	\$ 6,841,929
1976	5,838,568	3,136,111
1977	2,812,077	1,543,109
1978	512,897	461,666
Total unpaid grants	<u>\$ 9,163,542</u>	<u>\$ 11,982,815</u>
FUND BALANCES (Notes 2 and 5):		
Principal fund	\$127,924,662	\$109,458,136
Income fund (deficit)	<u>(9,701,806)</u>	<u>(10,461,818)</u>
Total fund balances	<u>\$118,222,856</u>	<u>\$ 98,996,318</u>
	<u>\$128,375,498</u>	<u>\$113,048,166</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

**STATEMENT OF CHANGES IN PRINCIPAL FUND FOR THE YEARS ENDED  
NOVEMBER 30, 1975 AND 1974**

	1975	1974
<b>STATED VALUE OF ASSETS RECEIVED, PRINCIPALLY FROM ESTATE OF A. G. BUSH —</b>		
Balance, beginning of year	\$100,451,468	\$100,530,563
Legal fees	(20,342)	(79,095)
Balance, end of year	\$100,431,126	\$100,451,468
<b>UNREALIZED DECLINE IN MARKET VALUE OF INVESTMENTS (Exhibit 1 and Note 3) —</b>		
Balance, beginning of year	\$ (26,892,549)	\$ (419,402)
Net appreciation (decline) in market value of investments	18,486,868	(33,107,188)
Net loss realized on security transactions during the year	3,632,016	6,634,041
Balance, end of year	\$ (4,773,665)	\$ (26,892,549)
<b>REINVESTED GAINS ON SECURITY TRANSACTIONS —</b>		
Balance, beginning of year	\$ 35,899,217	\$ 42,533,258
Net loss realized on security transactions during the year	(3,632,016)	(6,634,041)
Balance, end of year	\$ 32,267,201	\$ 35,899,217
Total principal fund balance (Note 2)	\$127,924,662	\$109,458,136

The accompany notes to financial statements are an integral part of this statement.

**STATEMENT OF CHANGES IN INCOME FUND FOR THE YEARS ENDED  
NOVEMBER 30, 1975 AND 1974**

	<u>1975</u>	<u>1974</u>
<b>INVESTMENT INCOME:</b>		
Dividends	\$ 2,255,111	\$ 2,614,568
Interest	4,448,665	3,686,907
Other income	90,688	2,079
Less		
Investment expenses	(229,388)	(220,366)
Provision for Federal excise tax (Note 3)	(246,000)	(243,000)
Net investment income	<u>\$ 6,319,076</u>	<u>\$ 5,840,188</u>
<b>ADMINISTRATIVE EXPENSE:</b>		
Salaries and staff benefits	\$ 227,449	\$ 206,071
Investment management	121,421	119,578
Program management	64,749	52,343
Consulting fees	30,111	20,361
Other administrative expenses	195,918	149,941
Less allocation to investments	(229,388)	(220,366)
Net administrative expense	<u>\$ 410,260</u>	<u>\$ 327,928</u>
<b>INCOME AVAILABLE FOR GRANT APPROPRIATION</b>		
	\$ 5,908,816	\$ 5,512,260
<b>DEDUCT—Grants appropriated during year</b>		
	<u>(4,466,726)</u>	<u>(9,707,597)</u>
Net increase in (deduction from) income fund before special charge	\$ 1,442,090	\$ (4,195,337)
<b>SPECIAL CHARGE—Indemnification of directors' legal expenses, net of benefit for Federal excise tax of \$28,420 (Note 5)</b>		
	<u>(682,078)</u>	<u>    . . . .</u>
Net increase in (deduction from) income fund	\$ 760,012	\$ (4,195,337)
<b>BALANCE, beginning of year (deficit)</b>	<u>(10,461,818)</u>	<u>(6,266,481)</u>
<b>BALANCE, end of year (deficit), representing grants payable in future periods in excess of accumulated income presently available</b>		
	<u>\$ (9,701,806)</u>	<u>\$(10,461,818)</u>

The accompanying notes to financial statements are an integral part of this statement.

**STATEMENT OF CHANGES IN CASH BALANCES FOR  
THE YEARS ENDED NOVEMBER 30, 1975 AND 1974**

	<u>1975</u>	<u>1974</u>
CASH BALANCE, beginning of year	\$ 248,807	\$ 1,392,645
Income and grant transactions:		
Source—		
Receipts from dividends, interest and other	\$ 6,474,340	\$ 5,933,939
Less disbursements for investment and administrative expenses, Federal excise taxes, and other expenditures	(870,370)	(830,136)
Cash available for grants	\$ 5,603,970	\$ 5,103,803
Application —		
Grants paid	(7,285,999)	(7,408,700)
Decrease in cash from income and grant transactions	\$ (1,682,029)	\$ (2,304,897)
Net proceeds from investment transactions	\$ 2,328,981	\$ 1,161,059
CASH BALANCE, end of year	<u>\$ 895,759</u>	<u>\$ 248,807</u>

The accompanying notes to financial statements are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

(1) *Accounting Policies:*

The financial statements have been prepared on the accrual basis of accounting, in conformity with generally accepted accounting principles. The more significant accounting policies are as follows:

Description of Funds —

The principal fund represents assets which are invested in income-producing securities and the fund is not available for distribution except as deemed appropriate by the Board of Directors. Legal fees incurred for the protection of principal are charged to the principal fund balance.

The income fund primarily represents income earned on invested principal which is available for distribution as grants.

Investments —

The investments in the accompanying financial statements have been reflected at quoted market values or at costs which approximate market values. Realized and unrealized gains and losses on investment transactions are accounted for in the principal fund.

Property —

In 1975 the Foundation adopted for financial reporting purposes the method allowed by Internal Revenue Service regulations of allocating the cost of property (principally office furniture and office equipment) acquired between income-producing and grant-making activities. The cost of income-producing assets is capitalized and depreciated over the property's useful life; the cost of assets allocated to grant-making activities is charged to operations in the year of acquisition. During 1975, \$35,061, representing the undepreciated cost of property acquired in 1975 and prior years and considered to be used in grant-making activities, was charged to the income fund.

Grant Appropriations —

Grants are recorded when approved by the Foundation's Board of Directors. Cancellations of grants arise when the grantees do not meet the terms under which the grants were awarded. Grants appropriated as reported in the accompanying statement of changes in income fund are net of cancellations of \$221,238 and \$55,128 in 1975 and 1974, respectively.

(2) *Estate of A. G. Bush:*

Subsequent to November 30, 1975, the Ramsey County Probate Court ordered that the Estate of A. G. Bush distribute to the Foundation assets with an assigned value of approximately \$38,268,000. The November 30, 1975 market value of the proposed distribution was approximately \$64,306,000, and is expected to be received in late January, 1976. The remaining assets of the Estate with an assigned value of approximately \$646,000 will be retained by the Estate pending final settlement of outstanding claims against it.

To the extent the assets received represent income earned by the Estate, that portion of the assets may be transferred to the income fund of the Foundation and be available for future grants.

(3) *Federal Excise Taxes and Distribution Requirements:*

Federal Excise Taxes —

Under the Tax Reform Act of 1969 (the Act), the Foundation is subject to a four percent excise tax on its taxable investment income which principally includes income from investments plus net realized capital gains (net capital losses, however, are not deductible). The provision for Federal excise taxes in 1975 has been reduced by a refund of prior years' excise taxes paid of \$14,767.

Distribution Requirements —

Under the Act, the Foundation was required to distribute to qualified recipients an amount equal to adjusted net income, as defined, for the two fiscal years ended November 30, 1971 and 1972. In fiscal years since 1972, the Foundation has been subject to the minimum investment return distribution requirement of the Act. Accordingly, it must distribute an amount which is the higher of adjusted net income, as defined, or a defined percentage of the fair market value of its assets. The Foundation has complied with these distribution requirements and as of November 30, 1975, has distributed approximately \$4,500,000 in excess of the required amount. This excess can be applied to future distribution requirements for a period of up to five years.

(4) *Restricted Assets:*

During 1973, certain real estate held by the Foundation was sold. As a condition to the release of a Federal estate tax lien on this property, the Internal Revenue Service has required that the net proceeds from this sale be held as a fund subject to the liens and claims of the Service. At November 30, 1975 and 1974, the balance sheet includes the following items subject to this restriction:

	1975	1974
Cash	\$ 54,091	\$ 31,912
Investments	465,281	424,150
Fund balances	\$519,372	\$456,062



(5) *Settlement of Litigation:*

*Board of Directors' Litigation —*

Certain directors of the Foundation were named in a lawsuit initiated by two directors of the Foundation, seeking damages on behalf of the Foundation for alleged stock manipulation and conflicts of interest. In June, 1975, the United States District Court dismissed this case and the time for appeal has lapsed.

In December, 1975, the United States District Court ordered the Foundation to indemnify the defendant directors in the amount of \$710,000 for attorney fees and expenses incurred by them in connection with the above lawsuit. This amount has been charged against the income fund and reported as a liability as of November 30, 1975.

*Attempted Renunciation of Will —*

The Foundation, in previous years' financial statements, reported litigation brought by the guardians of the Estate of Edyth D. Bush. This litigation involved a claimed right to renounce the Will of A. G. Bush and certain claims and other legal actions naming the Foundation as a codefendant. All of this litigation has been disposed of favorably to the Foundation by the various courts involved.

## INVESTMENTS HELD AT NOVEMBER 30, 1975

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
<b>U.S. Treasury Bills and Commercial Paper:</b>			
U.S. Treasury Bills	\$ 4,825,000	\$ 4,745,881	\$ 4,745,881
General Electric Company, Promissory Note	903,000	903,000	903,000
General Motors Acceptance Corporation, Promissory Note	4,287,000	4,287,000	4,287,000
International Harvester Co., Promissory Note	136,000	136,000	136,000
Sears Roebuck Acceptance Corporation, Promissory Note	101,000	101,000	101,000
Total U.S. Treasury Bills and commercial paper	<u>\$ 10,252,000</u>	<u>\$ 10,172,881</u>	<u>\$ 10,172,881</u>
<b>Corporate, Foreign and U.S. Government Agency Bonds and Notes:</b>			
Abbott Laboratories, 9.20% Registered Debentures, due October 15, 1999	\$ 500,000	\$ 500,000	\$ 505,000
American Brands Inc., 9.625% Registered Note, due September 1, 1979	500,000	500,947	519,375
American Telephone & Telegraph Co., 8.625% Registered Debentures, due February 1, 2007	500,000	500,000	487,500
American Telephone & Telegraph Co., 3.25% Debentures, due September 15, 1984/79	1,000,000	746,217	705,000
Anheuser Busch Co., 9.20% Registered Debentures, due April 1, 2005	500,000	500,613	510,000
Arco Pipe Line Co., 8.60% Guaranteed Note, due January 15, 1982	1,000,000	1,002,786	990,000
Bankamerica Corporation, 6.625% Registered Note, due February 1, 1980, optional August 1, 1979	1,000,000	997,551	935,000
Caterpillar Tractor Company, 8.60% Registered Debenture, due May 1, 1999	1,500,000	1,488,805	1,485,000
Chemical New York Corp., 6.625% Note, due April 15, 1980	500,000	491,131	458,750
Commonwealth Edison Co., 9% Registered First Mortgage, Series 28 Bond, due June 15, 1979	1,000,000	1,006,214	1,038,750
Commonwealth Edison Co., 6.75% Registered First Mortgage, Series 15 Bond, due July 1, 1998/68	500,000	454,581	385,000
John Deere Credit Co., 8.75% Registered Debenture, due October 31, 1982/81	1,000,000	997,814	1,020,000
Dow Chemical Company, 8.90% Registered Debentures, due November 1, 2000	500,000	534,201	493,125
DuPont (E. I.) DeNemours & Co., 8.45% Registered Debentures, due November 15, 2004	500,000	507,307	488,750

**EXHIBIT 1**

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Federated Department Stores, Inc., 8.375% Registered Sinking Fund Debentures, due September 15, 1995	500,000	533,668	472,500
First Chicago Corp., 6.75% Note, due November 1, 1980	500,000	500,000	463,750
Florida Power & Light Co., 7.625% Registered First Mortgage Bond, due January 1, 2001	250,000	250,000	195,938
Florida Power & Light Co., 8.125% Registered First Mortgage Bond, due August 1, 1980	500,000	502,140	500,000
Ford Motor Co., 7.25% Registered Note, due July 15, 1977/76	2,000,000	2,021,980	2,000,000
General Electric Credit Corp., 8.60% Registered Notes, due April 1, 1985	500,000	500,000	501,250
General Motors Acceptance Corporation, 8.875% Registered Debenture, due June 1, 1999	1,000,000	1,000,000	981,250
General Motors Corporation, 8.05% Note, due April 1, 1985/82	2,000,000	2,000,000	1,980,000
General Motors Acceptance Corporation, 7.125% Registered Debenture, due September 1, 1992/77	1,100,000	956,538	922,625
Gulf States Utilities Co., 8.625% Registered First Mortgage, due March 1, 2004	500,000	500,000	461,250
Halliburton Co., 8.25% Registered Note, due November 15, 1981	1,000,000	1,001,067	1,002,500
Houston Lighting & Power Co., 8.75% Registered First Mortgage, due March 1, 2005	500,000	504,265	467,500
International Harvester Co., 9% Sinking Fund Debenture, due June 15, 2004	1,000,000	991,673	921,250
International Paper Company, 4.25% Convertible Subordinated Debenture, due November 1, 1996	1,000,000	884,173	630,000
Kraftco Corp., 8.375% Registered Debentures, due April 15, 2004	500,000	484,118	486,875
Minneapolis Gas Co., 7.875% Sinking Fund Debenture, due December 1, 1996	350,000	350,000	259,875
Mobil Alaska Pipe Line, 8.45% Guaranteed Debenture, due March 1, 2005	500,000	500,000	477,500
Mountain States Telephone & Telegraph Co., 7.75% Registered Debentures, due June 1, 2013	500,000	500,000	423,125
National Steel Corp., 8% Registered First Mortgage, due December 1, 1995	250,000	256,235	221,250
Northern Indiana Public Service, 8.125% Registered First Mortgage, Series U, due July 15, 2003	500,000	499,769	436,875
Northwestern Bell Telephone Co., 8.625% Registered Debenture, due June 15, 2012/80	1,000,000	973,736	947,500
Ohio Bell Telephone Co., 7.875% Registered Debenture, due October 1, 2013	500,000	495,735	430,000
Ohio Edison Co., 8.125% Registered First Mortgage, due September 1, 2003	500,000	506,409	426,250
Ontario Province Canada, 8.875% Registered Debenture, due March 1, 2005	500,000	492,035	471,250

## EXHIBIT 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Ontario Province Canada, 9.125% Registered Debenture, due June 15, 2005	1,000,000	990,128	972,500
Pacific Gas & Electric Co., 9.85% Registered First and Refunding Mortgage, due June 1, 1982	1,000,000	1,000,000	1,050,000
Pacific Gas & Electric Co., 7.75% Registered First and Refunding Mortgage, due June 1, 2005	500,000	496,531	413,750
Pfizer, Inc., 8.50% Registered Debenture, due April 15, 1999	500,000	495,172	482,500
Pittson Co., 4% Registered Convertible Subordinated Debenture, due July 1, 1997	1,000,000	775,863	522,500
Proctor & Gamble Co., 8.25% Registered Debenture, due March 1, 2005	500,000	480,147	484,375
Public Service of Indiana Inc., 9.625% Registered First Mortgage, Series U, due August 1, 1981	1,000,000	997,960	1,050,000
Sears Roebuck Acceptance Corporation, 4.625% Debenture, due May 1, 1977	150,000	145,252	143,625
Sears Roebuck & Company, 7.75% Debenture, due March 1, 1985	1,000,000	972,031	967,500
Sohio/B P Transalaska Pipeline Finance, Inc., 8.625% Registered Note, due February 1, 1983	1,000,000	996,779	1,002,500
South Central Bell Telephone Co., 8.20% Registered Note, due April 1, 1983	500,000	500,000	501,250
Southern California Edison, 3.625% First Mortgage and Refunding Bond, Series E, due August 15, 1978	365,000	335,913	321,656
Southern Natural Gas Company, 7.70% Sinking Fund Debenture, due April 1, 1991	250,000	250,000	207,812
Southern Pacific Transportation Co., 7.75% Equipment Trust, Series 62, due October 15, 1986	500,000	500,000	470,000
Southwestern Bell Telephone Co., 8.20% Registered Note, due January 15, 1982/80	1,000,000	1,000,000	1,005,000
Southwestern Bell Telephone Co., 8.25% Registered Debentures, due March 1, 2014	500,000	488,623	461,875
Texaco, Inc., 7.75% Registered Debentures, due June 1, 2001	500,000	500,000	445,000
Union Carbide Corp., 8.50% Registered Debentures, due January 15, 2005	500,000	500,000	490,000
Union Oil of California, 8.375% Registered Debentures, due December 1, 1982	500,000	500,000	505,000
Upjohn Co., 8.125% Registered Note, due March 15, 1985	1,500,000	1,496,047	1,496,250
Washington Metropolitan Area Transit Authority, 7.35% Sinking Fund Bond, Series B, due July 1, 2012	1,000,000	962,449	856,250
Western Electric, Inc., 8.375% Registered Sinking Fund Debentures, due October 1, 1995	500,000	536,445	483,750

**EXHIBIT 1**

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Weyerhaeuser Company, 8.90% Registered Sinking Fund Debentures, due November 15, 2004	500,000	507,853	492,500
Weyerhaeuser Company, 8% Note, due January 15, 1985/82	500,000	504,038	491,250
Xerox Corporation, 8.20% Note, due November 1, 1982	500,000	500,000	497,500
Federal Home Loan Banks, 8.75% Consolidated, Series D, due February 25, 1976	500,000	500,072	502,500
Federal Home Loan Banks, 7.20%, due February 25, 1977	500,000	500,744	500,000
Federal Home Loan Banks, 9.10% Consolidated, Series B, due November 27, 1978	500,000	500,000	516,875
Federal Home Loan Banks, 8.625%, due February 25, 1982	500,000	500,000	508,125
Twelve Federal Land Banks, 9.15% Consolidated, Series C, due July 20, 1978	500,000	499,385	516,875
Twelve Federal Land Banks, 7.50% Consolidated, Series B, due July 21, 1980	500,000	497,710	493,125
Twelve Federal Land Banks, 8.10% Consolidated, due July 22, 1985	1,000,000	1,000,000	986,250
Federal National Mortgage Association, 8%, due December 12, 1983	1,000,000	967,291	985,000
International Bank for Reconstruction and Development, 8.60% Registered Note, due July 15, 1985	500,000	498,342	496,875
Farmers Home Administration, 7.875% Insured Note, due June 30, 1981	501,988	501,988	489,438
U.S. Treasury Note, 8.375%, due September 30, 1977	500,000	499,473	509,375
U.S. Treasury Note, 8.50%, due September 30, 1979	500,000	499,253	512,500
U.S. Treasury Note, 8.125%, due August 15, 1982	500,000	498,063	501,095
U.S. Treasury Note, 7.875%, due May 15, 1978	1,000,000	999,312	1,008,440
U.S. Treasury Note, 8%, due May 15, 1982	1,000,000	1,008,064	1,000,000
U.S. Treasury Note, 8.75%, due August 15, 1978	500,000	500,000	514,845
U.S. Treasury Bonds, 8.25%, due May 15, 1990	1,000,000	995,217	1,001,880
U.S. Treasury Bonds, 7.875%, due February 15, 2000	1,000,000	1,008,640	950,630
Total corporate, foreign and U.S. Government Agency bonds and notes	<u>\$ 56,716,988</u>	<u>\$ 55,836,493</u>	<u>\$ 53,909,734</u>
<b>Common Stocks:</b>			
Air Products & Chemicals, Inc.	17,684	\$ 482,594	\$ 1,122,934
American Express Company	15,600	596,025	606,450
American Hospital Supply Corporation	23,500	1,002,038	793,125

## EXHIBIT 1

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
American Reserve Corporation	25,000	898,444	53,125
American Telephone & Telegraph Company	45,000	2,105,785	2,278,125
Anheuser Busch, Inc.	12,000	315,300	427,500
Becton Dickinson & Company	18,000	841,475	708,750
Betz Laboratories, Inc.	20,000	473,550	750,000
Burroughs Corporation	18,200	1,148,866	1,540,175
Caldor, Inc.	15,750	474,073	196,875
Capital Holding Corporation	38,400	835,707	878,400
Caterpillar Tractor Company	12,000	484,843	828,000
Continental Oil Company	12,000	647,771	705,000
Dart Industries, Inc.	16,818	615,603	468,802
Deere & Company	20,000	458,642	1,005,000
Dow Chemical Company	9,000	431,643	820,125
Dun & Bradstreet Companies, Inc.	35,000	872,166	1,041,250
DuPont (E. I.) DeNemours & Co.	5,000	771,963	651,250
Eastman Kodak Company	14,000	1,389,590	1,505,000
Emerson Electric Company	20,000	747,102	760,000
Engelhard Minerals & Chemicals Corporation	25,000	727,875	515,625
Exxon Corporation	23,000	2,083,632	1,978,000
Federated Department Stores, Inc.	10,000	464,317	542,500
First Bank System, Inc.	21,000	885,262	934,500
Fischbach & Moore, Inc.	20,000	929,472	490,000
Freeport Minerals Company	25,000	668,830	550,000
General Electric Company	15,000	959,506	723,750
General Motors Corporation	15,000	1,220,918	853,125
W. W. Grainger, Inc.	32,000	522,649	872,000
Halliburton Company	2,500	405,375	359,687
Harris Bankcorporation, Inc.	10,000	271,625	245,000
Honeywell, Inc.	6,000	623,384	208,500
Houston Natural Gas Corporation	25,000	556,988	1,246,875
International Business Machines Corporation	17,313	4,858,885	3,919,230
International Telephone & Telegraph Corporation	26,000	1,203,549	578,500
Jonathan Logan, Inc.	10,700	621,068	156,488
Kellogg Company	50,000	755,090	1,150,000
Lubrizol, Inc.	15,000	689,693	635,625
Marsh & McLennan Companies, Inc.	33,000	1,889,378	1,942,875
Maryland National Corporation	15,000	417,250	330,000
May Department Stores Company	20,700	775,640	998,775
Maytag Company	20,000	677,280	650,000
J. P. Morgan & Company	28,000	1,432,799	1,445,500
Nalco Chemical Company	27,000	755,670	826,875
Northern States Power Company of Minnesota	30,000	782,544	810,000
Norton Simon, Inc.	45,908	1,073,710	1,044,400
Pennzoil Company	40,000	1,081,862	780,000
Perkin Elmer Corporation	20,000	574,677	515,000
Phillips Petroleum Company	35,000	1,508,632	1,872,500

**EXHIBIT 1**

Description	Number of Shares or Principal Amount	Cost or Stated Value	Market Value
Pillsbury Company	20,000	477,222	860,000
Pinkertons, Inc. — Class B	15,000	708,650	513,750
Proctor & Gamble Company	10,000	989,999	930,000
Pullman, Inc.	27,750	1,122,760	811,688
Revco, D. S., Inc.	17,000	813,179	586,500
R. J. Reynolds Industries, Inc.	20,000	924,053	1,197,500
Rorer-Amchem, Inc.	20,000	644,373	397,500
Schlumberger Ltd.	15,300	396,243	1,086,300
Sears Roebuck & Company	7,000	597,725	499,625
Southern Company	50,000	912,985	731,250
Southern Natural Resources, Inc.	22,000	1,127,386	1,050,500
Standard Oil Company of California	45,000	1,309,557	1,293,750
Sterling Drug, Inc.	55,000	1,502,643	1,120,625
Tampax, Inc.	8,000	742,500	300,000
Union Camp Corporation	10,000	596,957	755,000
Union Carbide Corporation	15,000	792,279	885,000
Union Oil Company of California	25,000	928,251	1,078,125
Upjohn Company	15,000	1,083,135	671,250
Winter Park Telephone Company, Florida	17,760	131,350	128,760
Xerox Corporation	18,000	2,067,268	900,000
Zenith Radio Corporation	30,000	826,239	746,250
Total common stocks		<u>\$ 63,705,494</u>	<u>\$ 60,858,589</u>
<b>Notes and Mortgages Receivable:</b>			
Park Properties, Inc., 7% Mortgage Note	\$240,192	\$ 240,192	\$ 240,192
Kenneth Sullivan Note, noninterest bearing	750	750	750
Warren Sullivan Note, noninterest bearing	750	750	750
Total notes and mortgages receivable	<u>\$241,692</u>	<u>\$ 241,692</u>	<u>\$ 241,692</u>
Total investments held at November 30, 1975		<u>\$129,956,560</u>	<u>\$125,182,896</u>